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**ASSOCIATION
OF AMERICAN
RAILROADS**

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Vice President - Policy & Economics



September 5, 2007

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

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Dear Mr. Williams:

This submission is the AAR forecast of the fourth quarter 2007 All-Inclusive Index and Rail Cost Adjustment Factor, filed in Ex Parte No. 290 (Sub-No. 5) (2007-4) *Quarterly Rail Adjustment Factor*. The versions of RCAF-related indices covered in this filing are: the All-Inclusive Index (initiated in the second quarter 1985), the Unadjusted RCAF (produced since October 1982), the Adjusted RCAF (first published in the second quarter of 1989), and the RCAF-5 (created by the STB in its Ex Parte No. 290 (Sub-No. 7) decision served October 3, 1996). The table below summarizes the fourth quarter 2007 results on the fourth quarter 2002 base, and shows the percentage changes from the previous quarter.

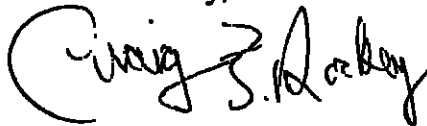
	<u>2007Q3</u>	<u>2007Q4</u>	<u>% Change</u>
All-Inclusive Index	121.8	125.8	3.3
Preliminary RCAF	1.218	1.258	3.3
Forecast Error Adjustment	-0.021	0.022	
RCAF (Unadjusted)	1.197	1.280	6.9
Productivity Adjustment Factor	2.1438	2.1528	
RCAF (Adjusted)	0.558	0.595	6.6
PAF-5	2.2562	2.2668	
RCAF-5	0.531	0.565	6.4

September 5, 2007

In its October 3, 1996 decision in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*, the STB noted its intent to publish, in addition to the RCAF (Unadjusted) and RCAF (Adjusted), an RCAF-5 (i.e., a calculation of the productivity adjusted RCAF values as if the agency had always used a 5-year rolling average to calculate the productivity adjustment). In response to a request by STB staff, the AAR is including a calculation of the RCAF-5 in its quarterly RCAF filing. The AAR and its members, however, do not believe the publication of a third RCAF index is required or permitted by the applicable statute (49 U.S.C. § 10708) and do not endorse its publication.

Two copies of the quarterly non-proprietary workpapers underlying this submission are filed herewith, in accordance with the ICC's order in Ex Parte No. 290 (Sub-No. 2), *Railroad Cost Recovery Procedures*, served February 8, 1990. A third copy of the working papers has been delivered to Mac Frampton in the STB office handling this proceeding. All workpapers are available for STB inspection. Questions should be directed to me or Clyde Crimmel (202 639-2309) of this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig F. Rockey". The signature is written in a cursive, flowing style with a large initial "C".

Craig F. Rockey

Attachments

**Fourth Quarter 2007
All-Inclusive Index**

Ex Parte No. 290 (Sub-No. 5) (2007-4)

**Quarterly Rail Cost Adjustment Factor
Surface Transportation Board**

**Policy and Economics Department
Association of American Railroads**

September 5, 2007

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Introduction

On January 2, 1985, the Interstate Commerce Commission (ICC) [now the Surface Transportation Board (STB)] adopted the All-Inclusive Index of Railroad Costs as the basis for the Rail Cost Adjustment Factor (RCAF). The quarterly projection of railroad costs, as documented herein, employs the All-Inclusive Index as required by the regulations. Also presented in this submission is the RCAF, both Adjusted and Unadjusted, as required by the ICC in its decision in Ex Parte No. 290 (Sub-No. 4), *Rail Cost Recovery Procedures - Productivity Adjustment*, served March 24, 1989. In addition, the AAR has included (but does not endorse) the RCAF-5, which was instituted by an STB decision served October 3, 1996 in Ex Parte No. 290 (Sub-No. 7), *Productivity Adjustment - Implementation*. This quarter's projection of railroad costs is for the fourth quarter 2007.

Index Weights

In the Ex Parte No. 290 (Sub-No. 2) final rules, issued in April 1981, the Interstate Commerce Commission mandated that the weights of each major cost component be updated annually. These "external" weights are calculated using data from Schedules 410 and 210 of the R-1 annual report filed with the Surface Transportation Board by the Class I railroads. The weights are typically updated with the fourth quarter projection.

The 2006 (current) and 2005 (previous) weights are shown below. The previous (2005) weights were used for the fourth quarter of 2006 through the third quarter of 2007. Beginning with the fourth quarter of 2007, the 2006 weights are used. As those familiar with the U.S. economy in 2006 would expect; Fuel and Materials & Supplies increased their weight – especially Fuel. Labor, despite a 5.4 percent increase in the amount of labor expenses, decreased as a percentage of total expenses because of double-digit increases in Fuel and Materials & Supplies expenses. The biggest weight changes were Fuel's increase of 3.2 percentage points, and Other's decrease of 1.5 percentage points. Absolute changes for all of the remaining categories were by less than one percentage point.

RCAF Weights		
	Previous 2005	Current 2006
Labor	35.3 %	34.5 %
Fuel	16.0	19.2
Materials & Supplies	4.6	5.0
Equipment Rents	8.2	7.8
Depreciation	11.1	10.6
Interest	3.1	2.7
Other	21.7	20.2

Reweightings of the index is accomplished by calculating both the current quarter (normally the fourth) and prior (normally the third) quarter indexes with the new weights. The relative change between the two quarters is then multiplied times the prior quarter (usually the third) *linked* index. Use of this method ensures that the weight change, by itself, does not cause a change in the level of the All-Inclusive Index.

Internal weights in the labor and equipment rents components are updated at the same time as the external weights. When these weights are changed, they are also linked using the procedure described above in order to eliminate the effect of the change in weighting.

All-Inclusive Index

Fourth Quarter 2007

The components and values of the current and previous All-Inclusive Indexes are shown below. Details of the construction of each component of the index are contained in the Appendices.

	2006 Weights	Forecast		Percent Change
		Previous 2007Q3	Current 2007Q4	
1. Labor	34.5%	298.5	307.9	3.1 %
2. Fuel	19.2%	253.9	276.4	8.9
3. M&S	5.0%	212.6	218.4	2.7
4. Equipment Rents	7.8%	192.5	192.9	0.2
5. Depreciation	10.6%	199.9	200.2	0.2
6. Interest	2.7%	96.9	90.2	-6.9
7. Other	20.2%	193.2	194.1	0.5
8. Weighted Average				
a. 1980 = 100		240.2	248.1	
b. 1980 = 100 (linked)		234.0	241.7 ¹	
c. 4Q02 = 100		121.8	125.8 ²	3.3

Note: The 240.2 weighted average for 2007Q3 is recalculated with 2006 weights to eliminate any changes in the fourth quarter index that would be caused by changing weights. The original figure with 2005 weights is 238.7.

¹ To calculate the 1980 = 100 Linked Index:

$$\begin{aligned} \text{Index}_{80} &= (\text{Current Index} / \text{Previous Index}) * \text{the Previous Quarter Linked Index} \\ &= 248.1 \text{ divided by } 240.2 \text{ times } 234.0 \\ &= 241.7 \end{aligned}$$

² To calculate the 4Q02 = 100 index:

$$\begin{aligned} \text{Index}_{4Q02} &= (\text{Current Linked Index} / 4Q02 \text{ Linking Factor}) * 100 \\ &= 241.7 \text{ divided by } 192.1 \text{ times } 100 \\ &= 125.8 \end{aligned}$$

4Q97 based index = 139.5

4Q92 based index = 154.0

4Q87 based index = 182.8

Forecast vs. Actual All-Inclusive Index Second Quarter 2007

As shown below, the second quarter actual index of 121.9 is 2.2 index points above the forecast value of 119.7. Therefore, the forecast error adjustment for fourth quarter 2007 is 2.2 index points.

	2005	Second Quarter 2007		Amt
	Weights	Forecast	Actual	Difference
1. Labor	35.3%	298.2	298.2	
2. Fuel	16.0%	235.9	257.0	
3. M&S	4.6%	206.1	206.1	
4. Equipment Rents ¹	8.2%	190.2	191.4	
5. Depreciation	11.1%	200.9	195.9	
6. Interest	3.1%	96.9	96.9	
7. Other	21.7%	189.8	191.4	
8. Weighted Average				
a. 1980 = 100		234.6	237.8	
b. 1980 = 100 (linked)		230.0	234.1 ²	
c. 4Q02 = 100 ³		119.7	121.9	2.2

Forecast error → 2.2 Index points

¹	2005	Second Quarter 2007	
	Weights	Forecast	Actual
Car-Hire	49.2%	178.9	179.3
Lease Rentals	50.8%	189.8	191.4
Weighted Average		184.4	185.4
Weighted Average (linked)		190.2	191.4

² Linked actual index = (actual index / previous actual index) x previous linked actual index.

$$234.1 = 237.8 / 229.6 \times 226.0$$

³ The 4Q02 based indexes are 1980 based indexes divided by the 4Q02 linking factor (192.1/100).
 4Q97 based indexes are the 1980 based indexes divided by the 4Q97 linking factor (173.2/100)
 4Q92 based indexes are the 1980 based indexes divided by the 4Q92 linking factor (156.9/100)

Productivity

On January 31, 2007, the Surface Transportation Board (STB) served a decision in Ex Parte 290 (Sub-No. 4) which added the year 2005 to the Productivity Adjustment Factor (PAF) and deleted the year 2000. This creates an average annual productivity change for 2001 through 2005 of 1.7 percent – a 0.2 percentage point decrease from the 2000 through 2004 average of 1.9 percent. The components of this average annual value are shown on the following table in ratio format – therefore, 1.017 is the same as an increase of 1.7 percent. Productivity changes are calculated by dividing the output index by the input index. The average annual rate is calculated by multiplying each of the five productivity changes together and taking the result to the one fifth power. The quarterly productivity adjustment factors (PAF) are calculated by increasing the previous quarter's PAF by quarterly versions of the annual rate which are the fourth root of the average annual growth rate. The difference between the PAF and the PAF-5 is the timing of the 5-year productivity trend.

Comparison of Output, Input, & Productivity			
2001 - 2005			
Year	Output Index (1)	Input Index (2)	Productivity¹ Changes (3)
2001	0.971	0.955	1.016
2002	1.012	1.006	1.006
2003	1.039	1.020	1.019
2004	1.033	1.057	0.977
2005	1.021	0.956	1.068
Average			1.017
Previous Average (2000-2004)			1.019

¹ The values shown in Column 3 are based on full float calculations and may not exactly match numbers calculated using the rounded numbers displayed in Columns 1 and 2

Calculation of PAF and PAF-5			
For 2001-2005, use fourth root of avg. productivity change = 1.0042			
For 2000-2004, use fourth root of avg. productivity change = 1.0047			
Quarter	Year	PAF	PAF-5
Q1	2007	2.1259	2.2351
Q2	2007	2.1348	2.2456
Q3	2007	2.1438	2.2562
Q4	2007	2.1528	2.2668
Q1	2008	2.1618	2.2763

2000-2004

2001-2005

Rail Cost Adjustment Factor

Fourth Quarter 2007

Four RCAF values are presented in this filing. Two are not modified for productivity (Preliminary RCAF and RCAF Unadjusted), and two incorporate a productivity calculation (RCAF Adjusted and RCAF-5). The All-Inclusive Index and all four RCAF values, plus the percent change for each, are shown below.

	Previous 2007Q3	Current 2007Q4	Percent Change
All-Inclusive Index ¹	121.8	125.8	3.3
Preliminary RCAF ²	1.218	1.258	3.3
Forecast Error Adjustment ³	<u>-0.021</u>	<u>0.022</u>	
RCAF (Unadjusted) ⁴	1.197	1.280	6.9
Productivity Adjustment Factor ⁵	2.1438	2.1528	
RCAF (Adjusted) ⁶	0.558	0.595	6.6
PAF-5 ⁷	2.2562	2.2668	
RCAF-5 ⁸	0.531	0.565	6.4

¹ See All-Inclusive Index on page 3.

² All-Inclusive Index divided by the All-Inclusive Index in the base period (100.0)

³ The current figure is from Forecast vs. Actual All-Inclusive Index in this filing (page 4). The previous quarter figure is shown in a similar section of the previous quarter's filing

⁴ Preliminary RCAF plus the forecast error adjustment.

⁵ See Productivity on page 5.

⁶ RCAF (Unadjusted) divided by the Productivity Adjustment Factor (PAF).

⁷ See Productivity on page 5.

⁸ RCAF (Unadjusted) divided by the PAF-5.

Appendixes

Labor

Fourth Quarter 2007

The fourth quarter 2007 Labor Index is forecast to increase 3.1 percent. Seven new national agreements had significant impact on the Labor Index. In addition, the Labor Rate was rebenchmarked to new wage statistics and annual report data.

Rebenchmarking: Rebenchmarking, as well as updating the internal weights (i.e., the proportion of labor costs represented by wages and supplements, respectively), is reflected each year in the fourth quarter filing. The 2006 data underlying the fourth quarter rebenchmarking are obtained from the railroads' 112-Class Wage Statistics and the railroads' R-1 Annual Reports (including railroad revisions through July 3) to the Surface Transportation Board. The source for the wage and supplements internal weights, like the external weights, is the R-1 Annual Report Summary.

New Labor Contracts

New National Agreements: Six major railroad unions signed new national agreements on July 1, including the Brotherhood of Locomotive Engineers and Trainmen (BLET), the Brotherhood of Maintenance of Way Employees Division (BMWED), the Brotherhood of Railroad Signalmen (BRS), the International Brotherhood of Boilermakers (IBBM), the National Conference of Firemen and Oilers (NCFO), and the Sheet Metal Workers' International Association (SMW). These agreements were not included in the third quarter Rail Cost Adjustment Factor, since it was filed on June 5 before the new contracts were finalized. A seventh national agreement was signed on September 1, affecting American Train Dispatcher Association (ATDA) employees for four Class I railroads. Highlights typical of the new agreements are as follows:

- Cost of Living Allowances (COLA) eliminated, and COLAs on and after July 1, 2005 recovered from any retroactive wage increase payments
- Retroactive general wage increase of 2.5 percent effective July 1, 2005
- Retroactive general wage increase of 3.0 percent effective July 1, 2006
- General wage increase of 3.0 percent effective July 1, 2007 [This is considered retroactive in the RCAF since it is being added beginning Q4.]
- General wage increase of 4.0 percent effective July 1, 2008 [Added to RCAF at that time]
- General wage increase of 4.5 percent effective July 1, 2009 [Added to RCAF at that time]
- Employee Health & Welfare Cost Sharing monthly rate of \$166.25 effective January 1, 2007
- Future adjustments to the Cost Sharing rate in 2008, 2009, and 2010, all on January 1

The BRS and BMWED had some slight differences caused by unique items (differing COLAs and/or method of employee cost sharing) in their previous agreements. The retroactive wage increases will cause back pay amounts for all seven unions that, following the standard procedure, will be amortized over four quarters. COLA payments already made, and the new 2007 employee Health & Welfare cost sharing rate (less the payments already made), serve as credit against gross retroactive pay.

Labor

Fourth Quarter 2007

New Independent Agreements: New independent agreements were also added to the index in the fourth quarter for the BNSF BLET and SOO BLET. The BNSF BLET participates in the national agreement with some small changes, and has been benchmarked in the RCAF as "independent". Four new agreements were also added for CN-owned railroads. Because all of the Class I railroad dispatchers (in 2006) had independent agreements or are non-union, they have been benchmarked in the RCAF as independent. The new national ATDA contract has been applied to each participating railroad as an "independent" agreement. Two Class I railroads participate fully in the new agreement, one participates fully except for some differences in wages, and one participates for Health & Welfare only. [For a list of common railroad and union abbreviations, see Appendix H.]

Wage Index

The Wage Index portion of the Labor Index increased 4.3 percent from the previous quarter. The increase was caused by a combination of rebenchmarking and new labor agreements, including wage increases and large back pay amounts. Highlights for the seven new national agreements are listed on the previous page.

Lump Sums: The lump sum rate decreased slightly, despite the addition of amounts related to three new agreements for CN-owned railroads, because of rebenchmarking.

Back Pay: The back pay rate jumped by over 43 cents because of the new agreements that featured retroactive general wage increases. The new national agreements had retroactive general wage increases for 2005 and 2006. In addition, the RCAF owes back pay for an additional quarter since the new contracts were not added to the Index until the fourth quarter. The July 2007 general wage increases are, in effect, retroactive.

Other: Other wages contains the amortization of profit sharing payments that the BNSF Railway makes each year to its dispatchers, yardmasters, and engineers. The fourth quarter rate is slightly lower because of rebenchmarking to newer (2006) wage statistics.

Supplements Index

The Supplements Index is forecast to increase 1.5 percent from the third quarter filing. Rebenchmarking and higher taxable wages caused the increase.

Health & Welfare: The Health & Welfare hourly rate had a small increase that was the net result of an increase caused by rebenchmarking offset by a decrease caused by higher employee Health & Welfare cost sharing amounts in new labor agreements.

Labor

Fourth Quarter 2007

Railroad Retirement: The Railroad Retirement rate had a two percent increase caused almost entirely by higher taxable wages.

Unemployment Insurance: The Unemployment Insurance rate was unchanged for the quarter.

Other: The "Other" category is a reflection of all other fringe benefits, and currently contains employer contributions to employee 401(k) accounts, plus employer contributions to employee stock plans that are recorded as fringe benefits. The decrease of 1.9 cents was caused by lower employer contributions – a previous quarter employer contribution by one railroad to an employee stock ownership plan for one union is not part of the current quarter total.

Labor Index Calculation

As shown in Table A-1 on the next page, the 4.3 percent increase in the Wage Index and the 1.5 percent increase in the Supplements Index combined to cause a 3.1 percent increase in the Labor Index. The linked fourth quarter 2007 index of 307.9 is determined by multiplying the third quarter linked index of 298.5 times the change between the fourth quarter labor index (319.5) and a third quarter labor index (309.7) recalculated using the original third quarter wages and supplements indexes weighted with the new 2006 weights. This method eliminates changes caused by the new weights, but captures changes caused by rebenchmarking. The purpose of the center "Updated to Reflect..." column in table A-1 is only to enable the reader to discern the impact of rebenchmarking.

Labor
Fourth Quarter 2007
Table A-1 Labor Index

	2007Q3		2007Q4	
	Used In Previous Index Filing	Updated to Reflect 2006 Actual Data	Based on 2006 Data	Pct Chg From Prev. Filing
Base Wage – Straight Time & Pay For Time Not Worked	\$29.781	\$30.091	\$30.642	2.9%
Adjustments:				
Lump Sum	0.138	0.135	0.136	-1.4%
Back Pay	0.013	0.013	0.448	3346.2%
Other	0.176	0.171	0.171	-2.8%
Total Wages	<u>\$30.108</u>	<u>\$30.410</u>	<u>31.397</u>	4.3%
Health & Welfare Benefits	5.515	5.719	5.584	1.3%
RR Retirement & Medicare	6.235	6.236	6.362	2.0%
Unemployment Insurance	0.186	0.186	0.186	0.0%
Other	0.085	0.083	0.066	-22.4%
Total Supplements	<u>\$12.021</u>	<u>\$12.224</u>	<u>\$12.198</u>	1.5%
Total Labor	\$42.129	\$42.634	\$43.595	
Wage Index¹	257.7	260.2	268.7	4.3%
Supplements Index²	444.2	451.7	450.8	1.5%
Total labor Index, 2005 Weights³	309.2			
Total labor Index, 2006 Weights⁴	309.7	313.6	319.5	
Labor Index (linked)⁵	298.5		307.9	3.1%

¹ 1980 wage rate \$11.685

² 1980 supplements rate \$2.706

³ 2005 weights wages, supplements 72.4% 27.6%

⁴ 2006 weights: wages, supplements 72.1% 27.9%

⁵ 2007Q4 linked Index = 2007Q3_{linked} x (2007Q4_{WT2006} / 2007Q3_{WT2006})
= 298.5 x 319.5 / 309.7

Fuel

Fourth Quarter 2007

The forecast for fuel is based on: (1) a survey of railroad fuel purchasing officers concerning current price and volume levels, (2) expectations of railroad purchasing officers based on their own forecast models and discussions with their major suppliers, and (3) a consensus of petroleum industry experts and general business publications.

Crude oil* prices trended upward from January through July, but fell during the first half of August. Prices have begun rising again, and reached \$75 per barrel by September 4. Hurricanes have been a continuing concern.

The July 2007 average price for locomotive diesel fuel is the third highest price ever recorded. After the first month of the year, locomotive diesel fuel prices increased for six consecutive months, resulting in a July average that is 31 percent higher than January's.

Heating oil** followed a similar pattern, with NYMEX prices trending upward from January through July, but decreasing in August. On the supply side, distillate stocks are at the middle of their average range, but oil days of supply are lower than last year.

The railroads believe that October (fourth quarter) locomotive diesel fuel prices will be 8.9 percent higher than the July (third quarter) forecast, but just 0.1 percent above the third quarter price actually experienced. This difference was caused by a third quarter forecast that was too low.

Forecast Fuel Index	276.4
Change from previous quarter forecast	8.9%
Change from previous quarter actual	0.1%

* Diesel fuel used by locomotives is made from refined crude oil, and therefore has some price correlation

** Heating oil and locomotive diesel fuel are part of a group of closely related products, commonly labeled as distillates, that differ mostly by their sulfur content. Because of these similarities, these fuels are produced together and have similar pricing trends

Materials & Supplies

Fourth Quarter 2007

The Materials & Supplies Index increased 2.7 percent from the third quarter level. Ballast prices were a major contributor to the increase. Wheel sets and creosote also experienced price increases that had significant impacts on the Index.

2007Q4 Materials & Supplies Index = 218.4

2007Q3 Materials & Supplies Index = 212.6

Difference	5.8 basis points
	or
	2.7 %

Equipment Rents

Fourth Quarter 2007

The Equipment Rents Index consists of two components – car hire and lease rentals. The methodology used to create these two components and the final Equipment Rents Index are explained below.

Car Hire

The car hire component is indexed using data from the Car Hire Accounting Rate Master (CHARM) file. Car hire rates for the forecast quarter are estimated based on data for the most recent month available. For the first quarter, December 1 of the previous year is used. For the second, third and fourth quarters; March 1, June 1, and September 1 are used, respectively. Using data retrieved from the latest CHARM file, an average rate per car is developed. Next, those average rates are grouped into car type categories to create an overall summary of car hire rates. The summary rates are then compared from quarter to quarter to determine the Car Hire Index.

Lease Rentals

The lease rentals portion of the Equipment Rents Index uses the Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF). The Commission adopted this surrogate in its decision served March 13, 1987. The AAR uses six years of historical data to derive its forecast for the PPI-LF. The forecast is used not only for lease rentals, but also for the "Other" component of the All-Inclusive Index. Appendix G discusses the forecast in more detail.

Equipment Rent Index Calculation

The table below calculates the Equipment Rent Index, and features new weights based on 2006. To eliminate any changes caused by the new weights, the third quarter weighted average (but not the linked value) has been recalculated using the new weights. The original third quarter weighted average using 2005 weights is 186.6. The Car Hire portion of the Index decreased slightly because of rate decreases for privately-owned tank cars. A 0.5 percent increase in the PPI-LF (See Appendix G) used as a proxy for Lease Rentals, combined with the decrease in the Car Hire Index, caused the overall Equipment Rent Index to rise just 0.2 percent.

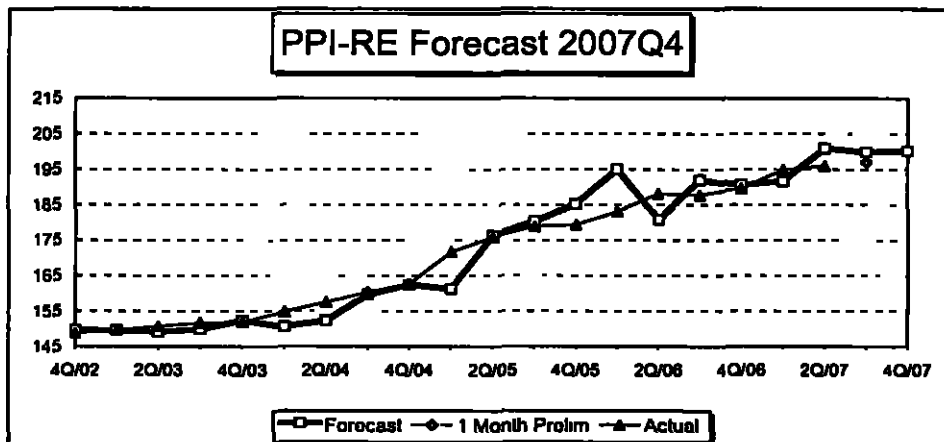
	2006 Weight	2007Q3	2007Q4	Percent Change
Car Hire	46.3%	179.8	179.7	-0.1 %
Lease Rentals	53.7%	193.2	194.1	0.5
Weighted Average		187.0	187.4	0.2
Weighted Average (Linked)		192.5	192.9	0.2

Depreciation

Fourth Quarter 2007

The Producer Price Index for Railroad Equipment (PPI-RE) is used to index depreciation expense. The PPI-RE is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent monthly data available. April and July would be the most recent months available for third and fourth quarter forecasts, respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model reflects monthly PPI-RE figures that have not been increasing as rapidly as they were in the previous year.

Forecast of Depreciation Index (1982=100)	181.0
Forecast of Depreciation Index (1980=100)	200.2
Change from previous quarter forecast	0.2%
Change from actual first month of previous quarter	1.6%
Change from same quarter of prior year (actual)	5.6%



Depreciation

Fourth Quarter 2007

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Confidence limits proportional to level

Component	Smoothing Weight	Final Value
Level	0.99997	178.10
Trend	0.09913	0.72831

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 150.7	Standard deviation 15.74
R-square 0.9943	Adjusted R-square 0.9942
Durbin-Watson 1.726	** Ljung-Box(18)=38.79 P=0.997
Forecast error 1.198	BIC 1.253
MAPE 0.004892	RMSE 1.181
MAD 0.7638	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2007-02	175.600
2007-03	176.100
2007-04	177.300
2007-05	177.000
2007-06	176.900
2007-07	178.100

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2007-08	176.039	178.828	181.617
2007-09	175.413	179.557	183.701
2007-10	175.130	180.285	185.439
2007-11	175.016	181.013	187.010
2007-12	175.007	181.742	188.476
QTR AVG	175.051	181.013	186.975

Interest

Fourth Quarter 2007

The Interstate Commerce Commission, in its decision served February 28, 1989, revised the All-Inclusive Index methodology to include a specific interest component, which is to track changes in the average interest rate from year to year. The interest rate is essentially the embedded cost of debt, i.e., total interest expense divided by average total long term debt. The interest rate is calculated for the most recent year and used until the next year's figures are available. Typically in the fourth quarter filing, the interest rate is updated to the new level. The source for interest expense is Schedule 210, column b, from the R-1 annual report. The lines used from current R-1 annual reports are listed below. The source for average total debt is Schedule 200 from the R-1 annual report. The sums of data from columns b and c (ending and beginning balances) are combined and divided by 2 to compute an average balance. The line numbers are listed below. Beginning with fourth quarter 2007, the Interest Index is based on data for 2006.

Interest Expense (Schedule 210)

Line	
42	Total Fixed Charges
44	Contingent Interest
less	
22	Release of Premium on Funded Debt

Average Total Debt (Schedule 200)

Line	
30	Current Loans and Notes Payable
39	Equipment Obligations and Other Long Term Debt Due Within One Year
41	Funded Debt Unmatured - Non-Current
42	Equipment Obligations - Non-Current
43	Capitalized Lease Obligations - Non-Current
44	Debt in Default - Non-Current
45	Accounts Payable: Affiliated Companies - Non-Current
46	Unamortized Debt Premium - Non-Current

2006	Interest Rate	7.08%
1980	Interest Rate	7.85%
2007Q4	Interest Index	90.2
2007Q3	Interest Index	96.9
	Percent Change	-6.9%

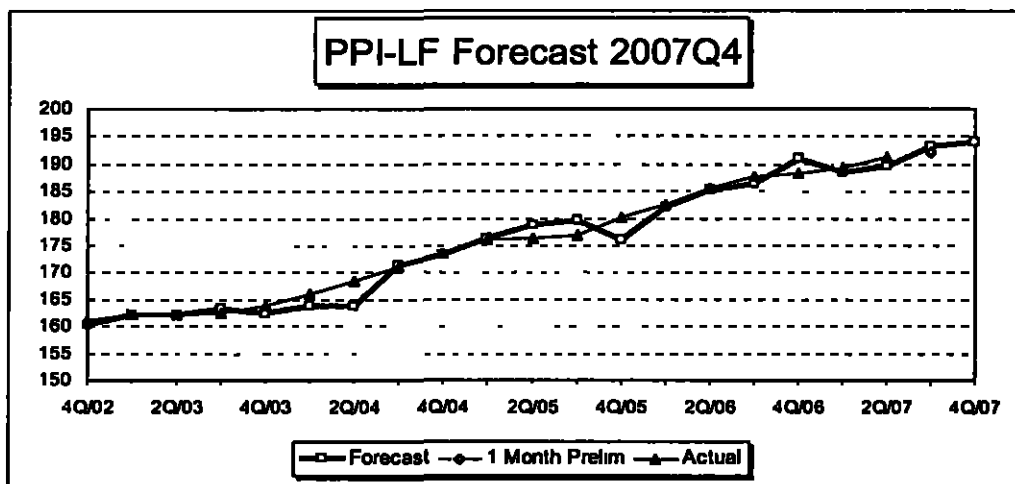
Other Expenses

Fourth Quarter 2007

The Producer Price Index for Industrial Commodities less Fuel and Related Products and Power (PPI-LF) is used to index purchased services, casualties and insurance, loss and damage, taxes (other than income and payroll), general and administrative expenses, and lease rentals. These expenses, when grouped together, are usually called "Other" expenses.

Like the PPI-RE, the PPI-LF is forecast using an ARIMA process on 6 years of monthly data (a sample size of 72) with the most recent available monthly data being the first month of the quarter prior to the forecast quarter. For a first quarter forecast, the most recent month of data available would be for October of the prior year. For a second quarter forecast, January would normally be the most recent month available. April and July would be the most recent months available for third and fourth quarter forecasts respectively. The output from the forecast model is shown on page 2 of this appendix for 1982=100. The figure forecast by the model reflects monthly PPI-LF figures that increased at lower rates in 2007 than 2006.

Forecast of Other Expense Index (1982=100)	173.1
Forecast of Other Expense Index (1980=100)	194.1
Change from previous quarter forecast	0.5%
Change from actual first month of previous quarter	1.0%
Change from same quarter of prior year (actual)	3.1%



Other Expenses

Fourth Quarter 2007

PPI INDUSTRIAL COMMODITIES LESS FUEL AND RELATED PRODUCTS AND POWER

Recommended model: Exponential Smoothing

Forecast Model for PPILF

Multiplicative Winters: Linear trend, Multiplicative seasonality

Confidence limits proportional to indexes

Component	Smoothing Weight	Final Value	Seasonal Indexes			
Level	0.95283	171.42	January - March	1.00023	0.99987	0.99992
Trend	0.33037	0.42159	April - June	0.99981	0.99999	0.99984
Seasonal	0.99993		July - September	0.99991	1.00007	0.99972
			October - December	1.00103	1.00024	0.99938

Within-Sample Statistics

Sample size 72	Number of parameters 3
Mean 153.7	Standard deviation 9.975
R-square 0.9983	Adjusted R-square 0.9982
Durbin-Watson 1.397	* Ljung-Box(18)=37.24 P=0.9951
Forecast error 0.4205	BIC 0.45
MAPE 0.002132	RMSE 0.4117
MAD 0.3285	

Actual Values for the Most Recent 6 Periods:

Date	Actual
2007-02	168.600
2007-03	169.400
2007-04	170.200
2007-05	170.700
2007-06	171.200
2007-07	171.400

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2007-08	170.968	171.850	172.732
2007-09	170.786	172.209	173.633
2007-10	171.047	172.857	174.668
2007-11	171.014	173.143	175.271
2007-12	171.011	173.415	175.819
QTR AVG	171.024	173.138	175.253

Railroad and Union Abbreviations

Fourth Quarter 2007

Railroads

BLE	Bessemer & Lake Erie Railroad (Part of CN's Grand Trunk Corp.)
BNSF	BNSF Railway Company
CC	Chicago, Central & Pacific (Part of CN's Grand Trunk Corp. Sometimes noted as CC&P)
CN	Canadian National Railway (Commonly known as CN, owns Grand Trunk Corporation.)
CNGT	AAR's abbreviation for Grand Trunk Corporation (Almost all of CN's U.S. operations.)
CP	Canadian Pacific Railway (Also noted as CPR. Owns the U S Class I railroad Soo Line)
CSX	CSX Transportation
DMIR	Duluth, Missabe & Iron Range Company (Part of CN's Grand Trunk Corp)
DWP	Duluth, Winnipeg & Pacific Railway (Part of CN's Grand Trunk Corp.)
GTW	Grand Trunk Western Railroad (Part of CN's Grand Trunk Corp)
IC	Illinois Central Railroad (Part of CN's Grand Trunk Corp.)
KCS	Kansas City Southern Railway
NS	Norfolk Southern Combined Railroad Subsidiaries (a.k a Norfolk Southern Railway or NS Rail)
SOO	Soo Line Railroad (Canadian Pacific Railway's western U S. operations)
SSAM	Sault Saint Marie Bridge Company (Part of CN's Grand Trunk Corp.)
UP	Union Pacific Railroad
WC	Wisconsin Central and subsidiaries (Part of CN's Grand Trunk Corp)

Major Unions Involved with Railroads

ATDA	American Train Dispatchers Association
BLET	Brotherhood of Locomotive Engineers and Trainmen Division of the International Brotherhood of Teamsters
BMWED	Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters
BRS	Brotherhood of Railroad Signalmen
IAM	International Association of Machinists and Aerospace Workers
IBBM	International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers
IBEW	International Brotherhood of Electrical Workers
NCFO	National Conference of Firemen and Oilers
SMW	Sheet Metal Workers' International Association
TCU	Transportation Communication International Union
TCU-Carmen	Brotherhood of Railway Carmen Division of the Transportation Communications International Union
UTU	United Transportation Union
UTU-Yard	United Transportation Union Yardmaster Department (also noted as UTU-YMD)

Predecessor Unions (Some AAR databases use these old abbreviations.)

BLE	Brotherhood of Locomotive Engineers (predecessor to BLET)
BMWE	Brotherhood of Maintenance of Way Employees (predecessor to BMWED)
BRC	Brotherhood of Railway Carmen (predecessor to TCU-Carmen)
IBFO	International Brotherhood of Firemen and Oilers (predecessor to NCFO)

Workpapers Sent to STB for 2007 Q4 RCAF

September 5, 2007

1. Index Calculation Spreadsheet (index_calc.xls, 2 pages)
2. Summary (of ST and PFTNW Hourly Rates)
3. Taxable wages adjustment calculation
4. National Contracts spreadsheet, 2 sections (2 and 5 pages)
5. National Increase Applicability and U.S. 2006 Benchmark spreadsheets
6. Wage Rates After Adjusting for New National Contracts (2 pages)
7. Wall Street Journal - 3 month Treasury Bill Rate
8. 2007/Q4 RCAF Lump Sum Amortization (4 pages)
9. 2007/Q4 RCAF Back Pay Amortization (5 pages)
10. Summary of National Back Pay for 7 National Unions
11. Back pay calculations for 6 of the national agreements
12. Health & Welfare worksheet (3 pages)
13. 2 pages of employee cost sharing info from NRLC for 200-round national agreements
14. Railroad Retirement spreadsheet (5 pages)
15. Unemployment Insurance worksheet
16. Two 2-page SAS runs for Unemployment Insurance (Q4 and Q3 Restated)
17. Seven pages of information on oil prices
18. Summary of Materials & Supplies
19. Car Hire Spreadsheet (2 pages) plus source data (2 pages)
20. 5 pages of PPI-RE for Depreciation including graph, input/output, and BLS source data
21. Interest Rate Index calculation for 2006.
22. 5 pages of PPI-LF for Other (and Lease Rentals) incl. graph, input/output, BLS source data
23. Forecast Error calculation and workpapers (11 pages)

Benchmarking Data

1. 2006 RCAF Weights (8 pages)
2. Benchmarks for Supplements 2006 (2 pages)
3. Calculation of 12/31/2006 Straight Time Hourly Rate (3 pages and 4 pages)
4. Railroad Retirement & Medicare 2006 (5 pages including 3 pages from Railroad Retirement Board)
5. 2006 112-Class Wage Statistics (Summary)

Workpapers Sent to STB for 2007 Q4 RCAF

September 5, 2007

Contract pages used for wage increases, back pay, lump sums, and employee Health & Welfare cost sharing.

- 1. New national BLET (5 pages)**
- 2. New national SMW (6 pages)**
- 3. New national BRS (6 pages)**
- 4. New national BMW (11 pages including AAR memo and NRLC circular)**
- 5. New national NCFO (7 pages)**
- 6. New national IBBM (7 pages) plus one page from old national agreement**
- 7. New national ATDA (7 pages)**
- 8. One page from BNSF Optional Compensation Program of the 2007 BLET national agreement**
- 9. New independent agreement for IC and CC&P's BMW (3 pages)**
- 10. New independent agreement for GTW TCU (3 pages)**
- 11. New independent agreement for DWP's TCU-Carmen (3 pages)**
- 12. New independent agreement for WC and SSAM's UTU (4 pages)**
- 13. Lump Sum info for independent agreement for GTW BLET (1 page)**
- 14. New agreement for SOO's BLET (2 pages)**

RCAF All-Inclusive Index's Labor Index Based on 2006 Benchmarks

06 Wts.	3Q/07 Original	3Q/07 Rebenchd	% Chg	4Q/07	% Chg fr Ong	1Q/08	% Chg	2Q/08	% Chg	3Q/08	% Chg
Straight Time											
PFTNW	\$24.362	\$24.278	-0.3%	\$24.724	1.5%		--		--		--
	\$5.419	\$5.813	7.3%	\$5.918	9.2%		--		--		--
Total	\$29.781	\$30.091	1.0%	\$30.642	2.9%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments											
Lump Sum	\$0.138	\$0.135		\$0.136							
Back Pay	\$0.013	\$0.013		\$0.448							
Other	\$0.176	\$0.171		\$0.171							
Total Wages	\$30.108	\$30.410	1.0%	\$31.397	4.3%	\$0.000	--	\$0.000	--	\$0.000	--
Pre-Tax Reduction	(\$0.772)	(\$0.755)		(\$0.921)							
Taxable Wages	\$29.336	\$29.655		\$30.476		\$0.000		\$0.000		\$0.000	
H & W	\$5.515	\$5.719	3.7%	\$5.584	1.3%		--		--		--
RR Ret & Medicare	\$6.235	\$6.236	0.0%	\$6.362	2.0%		--		--		--
Unemp. Insurance	\$0.186	\$0.186	0.0%	\$0.186	0.0%		--		--		--
Other	\$0.085	\$0.083	-2.4%	\$0.066	-22.4%		--		--		--
Total	\$12.021	\$12.224	1.7%	\$12.198	1.5%	\$0.000	--	\$0.000	--	\$0.000	--
Adjustments											
Total Suppl.	\$12.021	\$12.224	1.7%	\$12.198	1.5%	\$0.000	--	\$0.000	--	\$0.000	--
Total Labor	\$42.129	\$42.634	1.2%	\$43.595	3.5%	\$0.000	--	\$0.000	--	\$0.000	--
Wage Rate Index	0.7210	257.7	260.2	268.7	4.3%	0.0	--	0.0	--	0.0	--
Suppl Index	0.2790	444.2	451.7	450.8	1.5%	0.0	--	0.0	--	0.0	--
Total Labor Index '05 Wts.		309.2									
Total Labor Index '06 Wts.		309.7	313.6	319.5	3.2%	0.0	--	0.0	--	0.0	--
Labor Index (Linked)		298.5		307.9	3.1%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--

All Inclusive Index and RCAF

	06 Wts	3Q/07	3Q/07 06 Wts	% Chg	4Q/07	% Chg	1Q/08	% Chg	2Q/08	% Chg	3Q/08	% Chg
Labor	0.345	298.50	298.5	0.0%	307.9	3.1%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Fuel	0.192	253.90	253.9	0.0%	276.4	8.9%		--	--	--	--	--
M&S	0.050	212.60	212.6	0.0%	218.4	2.7%		--	--	--	--	--
Equip Rents	0.078	192.50	192.5	0.0%	192.9	0.2%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Depreciation	0.106	199.90	199.9	0.0%	200.2	0.2%		--	--	--	--	--
Interest	0.027	96.90	96.9	0.0%	90.2	-6.9%	90.2	0.0%	90.2	0.0%	90.2	0.0%
Other	0.202	193.20	193.2	0.0%	194.1	0.5%		--	--	--	--	--
Weighted Avg. Linked	1.000	238.70 234.00	240.2	0.6%	248.1 241.7	3.3% 3.3%	2.4 2.3	-99.0% -99.0%	#DIV/0! #DIV/0!	-- --	#DIV/0! #DIV/0!	-- --
10/1/80 basis		227.80			235.3	3.3%	2.2	-99.1%	#DIV/0!	--	#DIV/0!	--
10/1/82		193.50			199.9	3.3%	1.9	-99.0%	#DIV/0!	--	#DIV/0!	--
4Q/87		177.00			182.8	3.3%	1.7	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/92		149.10			154.0	3.3%	1.5	-99.0%	#DIV/0!	--	#DIV/0!	--
4Q/97		135.10			139.5	3.3%	1.3	-99.1%	#DIV/0!	--	#DIV/0!	--
4Q/02 basis		121.80			125.8	3.3%	1.2	-99.0%	#DIV/0!	--	#DIV/0!	--
Car Hire	0.463	179.80	179.8	0.0%	179.7	-0.1%		--	--	--	--	--
Lease Rents	0.537	193.20	193.2	0.0%	194.1	0.5%	0.0	--	0.0	--	0.0	--
Wghted Avg Eq Rents		186.60	187.0	0.2%	187.4	0.2%	0.0	--	0.0	--	0.0	--
Linked Equipment Rents		192.50			192.9	0.2%	0.0	-100.0%	#DIV/0!	--	#DIV/0!	--
Preliminary RCAF		1.218			1.258	3.28%	0.012	-99.0%	#DIV/0!	--	#DIV/0!	--
Forecast Error Adj. RCAF Unadjusted		(0.021) 1.197			0.022 1.280	6.93%	0.012	-99.1%	#DIV/0!	--	#DIV/0!	--
PAF		2.1438			2.1528	0.42%		--	--	--	--	--
RCAF Adjusted		0.558			0.595	6.63%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--
PAF-5		2.2562			2.2668	0.47%		--	--	--	--	--
RCAF-5		0.531			0.565	6.40%	#DIV/0!	--	#DIV/0!	--	#DIV/0!	--

Hourly Rate for 2007 Q4

Straight Time and Time Paid For But Not Worked

2007Q4 Straight Time Hourly Rate (from national spreadsheet) **\$24.624**
 Rebenchmarked to 2006 Wage Statistics plus 6 new national agreements

Adjustments to 2006 base:

Adjustments added 2007 Q1

CN Railroads	3% for GTW UTU-YMD, \$0.15 or \$0.01 COLA for some unions	0.003
Dispatcher 4 (BNSF, CSX, KCS, NS)	\$0.15 COLA for BNSF and KCS	0.001
Misc. independent BLET, UTU-YMD, ATDA	\$0.01 for UP ATDA, 2% for NS BLET; \$0.15 for BNSF BLET, CSX BLET & YMD, UP YMD	0.028
SOO Unions	\$0.05 COLA for BMWE, \$0.15 COLA for rest	0.002

Adjustments added 2007 Q2

CN Railroads	New contracts retro GWI for DMIR IBM; GTW BLET, IC TCU-CAR	0.003
--------------	--	-------

Adjustments added 2007 Q3

CN Railroads	3% GWI and \$0.10 COLA for some unions	0.007
Dispatcher 4 (BNSF, CSX, KCS, NS)	\$0.10 COLA for BNSF, CSX and KCS	0.001
Misc. independent BLET, Yardmasters, Dispatchers	\$0.10 for BNSF BLET, CSX & UP YMD, new CSX BLET contract retro GWI	0.008
SOO Unions	\$0.05 COLA for BMWE, \$0.10 COLA for rest	0.001

Adjustments added 2007 Q4

CN Railroads	New contracts retro GWI for DMIR BRC, IC&CCP BMWE, GTW TCU, WC&SSAM UTU	0.015
Dispatcher 4 (BNSF, CSX, KCS, NS)	New national contract retro GWI for BNSF, CSX and KCS	0.009
Misc. independent BLET, Yardmasters, Dispatchers	New BNSF BLET contract with retro GWIs	0.018
SOO BLET	new BLET contract with retro GWIs	0.004

Adjusted STHR Total **\$24.724**

Pay For Time Not Worked

PFTNW (from national spread sheet)		\$5.894
Ratio Adj STHR to Nat STHR	24.724 / 24.624 =	1.00406

Adjusted Pay For Time Not Worked **\$5.918**

Notes:

1. CN Railroads includes B&LE, CC&P, DMIR, DW&P, GTW, IC, WC, and SSAM
2. "Dispatcher 4" was benchmarked based on 2006 Wage Statistics as independent. The new national ATDA contract was signed September 1, 2007 but still added to 4Q 2007 wage rate as independent adjustments.

RCAF Taxable Wages

(To Use for Railroad Retirement and Unemployment Insurance Payroll Tax Calculations)

In the RCAF calculation, Total Wages are the wages paid, while Taxable Wages are the wages on which to base payroll tax calculations. The difference is caused by pre-tax employee contributions to help pay Health & Welfare costs. This page calculates that wage rate difference.

Most of the new national agreements feature employee Health & Welfare cost sharing. Some of the independent agreements adopt the dollar amount contributed under the national agreement, and some have their own employee contribution rate such as the CN Management H&W Plan. This Cost Sharing is a pre-tax employee contribution to Health & Welfare insurance premiums paid by the employer. The employee contribution reduces employer Health & Welfare costs, while the Health & Welfare insurance premiums paid to the provider are unchanged. In the RCAF calculation, the reduction to the employer's Health & Welfare costs affect the Supplements portion of the Labor component of the index. The Taxable Wage Rate is used for Railroad Retirement and Unemployment Insurance calculations.

Reduction Calculation for 4Q/2007

U.S. ST Hours =

342,756,730

Wage Statistics are for 2006.

Union Group	Employees	Mo. Rate	Annual \$
National BLET (BNSF, CSX, KCS, NS, UP)	28,966	(\$166.25)	(\$57,787,170.00)
National BMW (BNSF, CSX, KCS, NS, UP)	24,090	(\$166.25)	(\$48,059,550.00)
National BRS (BNSF, CSX, KCS, NS, UP)	5,859	(\$166.25)	(\$11,688,705.00)
National IAM (BNSF, CSX, KCS, NS, UP)	6,763	(\$132.57)	(\$10,758,850.92)
National IBBM (BNSF, CSX, KCS, NS, UP)	1,051	(\$166.25)	(\$2,096,745.00)
National IBEW (BNSF, CSX, KCS, NS, UP)	4,929	(\$156.97)	(\$9,284,461.56)
National NCFO (BNSF, CSX, KCS, NS, UP)	2,404	(\$166.25)	(\$4,795,980.00)
National SMW (BNSF, CSX, KCS, NS, UP)	1,059	(\$166.25)	(\$2,112,705.00)
National TCU (BNSF, CSX, KCS, NS, UP)	8,383	(\$147.31)	(\$14,818,796.76)
National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,407	(\$147.73)	(\$18,449,113.32)
National UTU (BNSF, CSX, KCS, NS, UP)	44,297	(\$160.33)	(\$85,225,656.12)
National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	(\$156.13)	(\$3,186,925.56)
Indep. Dispatchers (wt avg BNSF, CSX, KCS, NS)	1,791	(\$164.92)	(\$3,544,460.64)
Independent CNGT (wt avg all 104 union categories)	5,892	(\$72.77)	(\$5,145,130.08)
Independent SOO (wt avg all 13 unions)	2,567	(\$119.56)	(\$3,682,926.24)
Independent UP (Yardmasters only)	491	(\$147.31)	(\$867,950.52)
Total Union	150,650		(\$281,505,126.72)
All Other @ \$2,839,968.66 total per month			(\$34,079,623.92)
Total			(\$315,584,750.64)

Reduction in Wage Rate Per ST Hour	-\$0.92072518
Deduct this amount from the Wage Rate	-\$0.921

National Contracts U.S.

Straight Time Hourly Rate														Check Sum
UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	
Weight	0.27223	0.04641	0.19691	0.0056	0.0335	0.13529	0.05895	0.01288	0.03684	0.02736	0.01269	0.0117	0.14371	1.00000
2006 Avg.	20.235	22.129	21.774	21.652	23.127	19.980	21.403	17.764	21.657	19.684	22.227	31.747	27.519	41.118
12/31/06	20.242	22.134	21.778	21.658	23.130	19.991	21.412	17.776	21.672	19.698	22.232	31.801	27.524	41.118
1/1/07	20.386	22.270	21.829	21.804	23.130	20.065	21.551	17.920	21.815	19.839	22.375	31.801	27.588	41.128
4/1/07	20.386	22.270	21.829	21.804	23.130	20.065	21.551	17.920	21.815	19.839	22.375	31.801	27.588	41.128
7/1/07	20.481	22.360	21.864	21.902	23.130	20.111	21.644	18.016	21.911	20.252	22.470	31.801	27.631	41.128
10/1/07	20.481	22.360	22.339	23.009	25.045	21.742	21.644	18.772	21.911	21.147	22.470	31.801	27.631	41.128
1/1/08	20.481	22.360	22.339	23.009	25.045	21.742	21.644	18.772	21.911	21.147	22.470	31.801	27.631	41.128
4/1/08	20.481	22.360	22.339	23.009	25.045	21.742	21.644	18.772	21.911	21.147	22.470	31.801	27.631	41.128
7/1/08	20.481	22.360	22.339	23.009	25.045	21.742	21.644	18.772	21.911	21.147	22.470	31.801	27.631	41.128
														332.017
														332.167

Weighted Straight Time Hourly Rate

UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2006 Avg.	5.509	1.027	4.288	0.121	0.775	2.703	1.262	0.229	0.798	0.117	0.608	0.403	0.322	5.909
12/31/06	5.511	1.027	4.288	0.121	0.775	2.705	1.262	0.229	0.798	0.117	0.608	0.403	0.322	5.909
1/1/07	5.550	1.033	4.298	0.122	0.775	2.715	1.270	0.231	0.804	0.118	0.612	0.403	0.323	5.911
4/1/07	5.550	1.033	4.298	0.122	0.775	2.715	1.270	0.231	0.804	0.118	0.612	0.403	0.323	5.911
7/1/07	5.576	1.038	4.305	0.123	0.775	2.721	1.276	0.232	0.807	0.120	0.615	0.403	0.323	5.911
10/1/07	5.576	1.038	4.399	0.129	0.839	2.942	1.276	0.242	0.807	0.125	0.615	0.403	0.323	5.911
1/1/08	5.576	1.038	4.399	0.129	0.839	2.942	1.276	0.242	0.807	0.125	0.615	0.403	0.323	5.911
4/1/08	5.576	1.038	4.399	0.129	0.839	2.942	1.276	0.242	0.807	0.125	0.615	0.403	0.323	5.911
7/1/08	5.576	1.038	4.399	0.129	0.839	2.942	1.276	0.242	0.807	0.125	0.615	0.403	0.323	5.911

Note The 2006 Average and 12/31/06 Straight Time Hourly Rates are the industry rates, and include all Class I railroad employees. The rates for 1/1/07 through 7/1/08 are based on the industry year-end rates updated by NATIONAL UNION wage increases using contract information. These national increases are diluted using "percent national" ratios to account for non-national union contracts. The impacts of non-national (or independent contract) increases after 2006 are not shown on this page and are handled separately.

National Contracts U.S.

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER
Weight	0.27223	0.04641	0.19691	0.0056	0.0335	0.13529	0.05895	0.01288	0.03684	0.00593	0.02736	0.01269	0.0117	0.14371
2006 Avg.	8.161	5.075	8.700	4.027	4.946	3.578	3.775	3.083	4.065	2.945	4.076	6.505	7.156	1.410
12/31/06	8.164	5.076	8.702	4.028	4.947	3.580	3.777	3.085	4.068	2.947	4.077	6.516	7.157	1.410
1/1/07	8.222	5.107	8.722	4.056	4.947	3.593	3.801	3.110	4.095	2.969	4.103	6.516	7.174	1.410
4/1/07	8.222	5.107	8.722	4.056	4.947	3.593	3.801	3.110	4.095	2.969	4.103	6.516	7.174	1.410
7/1/07	8.260	5.128	8.736	4.074	4.947	3.601	3.818	3.127	4.113	3.030	4.121	6.516	7.185	1.410
10/1/07	8.260	5.128	8.926	4.280	5.356	3.893	3.818	3.258	4.113	3.164	4.121	6.516	7.185	1.410
1/1/08	8.260	5.128	8.926	4.280	5.356	3.893	3.818	3.258	4.113	3.164	4.121	6.516	7.185	1.410
4/1/08	8.260	5.128	8.926	4.280	5.356	3.893	3.818	3.258	4.113	3.164	4.121	6.516	7.185	1.410
7/1/08	8.260	5.128	8.926	4.280	5.356	3.893	3.818	3.258	4.113	3.164	4.121	6.516	7.185	1.410

Pay For Time Not Worked Hourly Rate

	UTU	TCU	BLET	SMWIA	BRS	BMWE	TCU-CAR	NCFO	IAM	IBBM	IBEW	ATDA	YDMSTR	OTHER	Total
2006 Avg.	2.222	0.236	1.713	0.023	0.166	0.484	0.223	0.040	0.150	0.017	0.112	0.083	0.084	0.203	5.753
12/31/06	2.223	0.236	1.713	0.023	0.166	0.484	0.223	0.040	0.150	0.017	0.112	0.083	0.084	0.203	5.754
1/1/07	2.238	0.237	1.718	0.023	0.166	0.486	0.224	0.040	0.151	0.018	0.112	0.083	0.084	0.203	5.781
4/1/07	2.238	0.237	1.718	0.023	0.166	0.486	0.224	0.040	0.151	0.018	0.112	0.083	0.084	0.203	5.781
7/1/07	2.249	0.238	1.720	0.023	0.166	0.487	0.225	0.040	0.152	0.018	0.113	0.083	0.084	0.203	5.800
10/1/07	2.249	0.238	1.758	0.024	0.179	0.527	0.225	0.042	0.152	0.019	0.113	0.083	0.084	0.203	5.894
1/1/08	2.249	0.238	1.758	0.024	0.179	0.527	0.225	0.042	0.152	0.019	0.113	0.083	0.084	0.203	5.894
4/1/08	2.249	0.238	1.758	0.024	0.179	0.527	0.225	0.042	0.152	0.019	0.113	0.083	0.084	0.203	5.894
7/1/08	2.249	0.238	1.758	0.024	0.179	0.527	0.225	0.042	0.152	0.019	0.113	0.083	0.084	0.203	5.894

U.S. National Contract

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UTU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				20.23547	8.16146
12/31/06 Industry Rate				20.24249	8.16429
1/1/07		0.15000	95.388%	20.38558	8.22200
4/1/07			95.388%	20.38558	8.22200
7/1/07		0.10000	95.388%	20.48097	8.26047
10/1/07			95.388%	20.48097	8.26047
1/1/08			95.388%	20.48097	8.26047
4/1/08			95.388%	20.48097	8.26047
7/1/08			95.388%	20.48097	8.26047

TCU

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				22.12944	5.07490
12/31/06 Industry Rate				22.13431	5.07602
1/1/07		0.15000	90.271%	22.26971	5.10707
4/1/07			90.271%	22.26971	5.10707
7/1/07		0.10000	90.271%	22.35998	5.12777
10/1/07			90.271%	22.35998	5.12777
1/1/08			90.271%	22.35998	5.12777
4/1/08			90.271%	22.35998	5.12777
7/1/08			90.271%	22.35998	5.12777

BLET

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				21.77389	8.70021
12/31/06 Industry Rate				21.77803	8.70187
1/1/07	New contract removes COLAs beginning 7/1/05 and adds three retro G W I		4.251%	21.82941	8.72240
4/1/07			4.251%	21.82941	8.72240
7/1/07		0.10000	34.251%	21.86366	8.73608
10/1/07			34.251%	22.33929	8.92613
1/1/08			34.251%	22.33929	8.92613
4/1/08			34.251%	22.33929	8.92613
7/1/08			34.251%	22.33929	8.92613

U.S. National Contract

SMWIA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg.				21.65197	4.02722
12/31/06 Industry Rate				21.65761	4.02827
1/1/07				21.80435	4.05556
4/1/07			97.827%	21.80435	4.05556
7/1/07		0.10000	97.827%	21.90218	4.07376
10/1/07			97.827%	23.00919	4.27966
1/1/08			97.827%	23.00919	4.27966
4/1/08			97.827%	23.00919	4.27966
7/1/08			97.827%	23.00919	4.27966

New contract removes COLAs beginning 7/1/05 and adds three retro G W I

BRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				23.12687	4.94609
12/31/06 Industry Rate				23.13040	4.94685
1/1/07			94.845%	23.13040	4.94685
4/1/07			94.845%	23.13040	4.94685
7/1/07			94.845%	23.13040	4.94685
10/1/07			94.845%	25.04482	5.35628
1/1/08			94.845%	25.04482	5.35628
4/1/08			94.845%	25.04482	5.35628
7/1/08			94.845%	25.04482	5.35628

New contract adds three retro G W I

No COLA provision in BRS §2403 agreement

BMWE

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				19.97987	3.57778
12/31/06 Industry Rate				19.99121	3.57981
1/1/07		0.08000	92.392%	20.06512	3.59305
4/1/07			92.392%	20.06512	3.59305
7/1/07		0.05000	92.392%	20.11132	3.60132
10/1/07			92.392%	21.74237	3.89339
1/1/08			92.392%	21.74237	3.89339
4/1/08			92.392%	21.74237	3.89339
7/1/08			92.392%	21.74237	3.89339

New contract removes COLAs beginning 7/1/05 and adds three retro G W I

U.S. National Contract

TCU-Carmen

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg.				21.40302	3.77519
12/31/06 Industry Rate				21.41190	3.77676
1/1/07		0.15000	92.710%	21.55096	3.80128
4/1/07			92.710%	21.55096	3.80128
7/1/07		0.10000	92.710%	21.64367	3.81764
10/1/07			92.710%	21.64367	3.81764
1/1/08			92.710%	21.64367	3.81764
4/1/08			92.710%	21.64367	3.81764
7/1/08			92.710%	21.64367	3.81764

NCFO

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				17.76407	3.08290
12/31/06 Industry Rate				17.77636	3.08503
1/1/07		0.15000	95.865%	17.92016	3.10999
4/1/07			95.865%	17.92016	3.10999
7/1/07		0.10000	95.865%	18.01602	3.12662
10/1/07			95.865%	18.77239	3.25789
1/1/08			95.865%	18.77239	3.25789
4/1/08			95.865%	18.77239	3.25789
7/1/08			95.865%	18.77239	3.25789

New contract removes COLAs beginning 7/1/05 and adds three retro G W I

IAM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				21.65735	4.06537
12/31/06 Industry Rate				21.67225	4.06817
1/1/07		0.15000	95.478%	21.81546	4.09505
4/1/07			95.478%	21.81546	4.09505
7/1/07		0.10000	95.478%	21.91094	4.11297
10/1/07			95.478%	21.91094	4.11297
1/1/08			95.478%	21.91094	4.11297
4/1/08			95.478%	21.91094	4.11297
7/1/08			95.478%	21.91094	4.11297

U.S. National Contract

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IBBM

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				19.68410	2.94546
12/31/06 Industry Rate				19.69762	2.94749
1/1/07		0.15000	93.938%	19.83853	2.96857
4/1/07			93.938%	19.83853	2.96857
7/1/07		0.44000	93.938%	20.25186	3.03042
10/1/07			93.938%	21.14699	3.16437
1/1/08			93.938%	21.14699	3.16437
4/1/08			93.938%	21.14699	3.16437
7/1/08			93.938%	21.14699	3.16437

New contract removes COLAs beginning 7/1/05 and adds three retro G W I

12/14/04 contract states effective 6/1/07 wage rate shall be increased \$0.34 per hour

IBEW

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				22.22681	4.07615
12/31/06 Industry Rate				22.23189	4.07708
1/1/07		0.15000	95.112%	22.37456	4.10324
4/1/07			95.112%	22.37456	4.10324
7/1/07		0.10000	95.112%	22.46967	4.12068
10/1/07			95.112%	22.46967	4.12068
1/1/08			95.112%	22.46967	4.12068
4/1/08			95.112%	22.46967	4.12068
7/1/08			95.112%	22.46967	4.12068

ATDA

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				31.74691	6.50471
12/31/06 Industry Rate				31.80064	6.51572
1/1/07			0.000%	31.80064	6.51572
4/1/07			0.000%	31.80064	6.51572
7/1/07			0.000%	31.80064	6.51572
10/1/07			0.000%	31.80064	6.51572
1/1/08			0.000%	31.80064	6.51572
4/1/08			0.000%	31.80064	6.51572
7/1/08			0.000%	31.80064	6.51572

YDMSTRS

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg				27.51913	7.15606
12/31/06 Industry Rate				27.52390	7.15730
1/1/07		0.15000	42.979%	27.58837	7.17407
4/1/07			42.979%	27.58837	7.17407
7/1/07		0.10000	42.979%	27.63135	7.18524
10/1/07			42.979%	27.63135	7.18524
1/1/08			42.979%	27.63135	7.18524
4/1/08			42.979%	27.63135	7.18524
7/1/08			42.979%	27.63135	7.18524

OTHER

	Percentage Increase	Cents Increase	Applicable	ST HR	PFTNW HR
2006 Industry Avg.				41.11808	1.40970
12/31/06 Industry Rate				41.11808	1.40970
1/1/07		0.01000	100.000%	41.12808	1.41004
4/1/07			100.000%	41.12808	1.41004
7/1/07			100.000%	41.12808	1.41004
10/1/07			100.000%	41.12808	1.41004
1/1/08			100.000%	41.12808	1.41004
4/1/08			100.000%	41.12808	1.41004
7/1/08			100.000%	41.12808	1.41004

Check Sums

	Increase	Applicable	ST HR	PFTNW HR
2006 AVG			332.01699	67.50320
12/31/06			332.16670	

Should match check sum on National
Increase Applicability for U S Total page

1121.058%

ok matches

ok matches

ok matches

All three should match
check sums on U S
Benchmark page

National Increase Applicability for U.S. Total

Year 2006		Not Part of National Agreements*															U.S.	Percent
Union	ST Hours Pd	CSX (E)	BLE (E)	DMIR (E)	GTW (E)	IC (E)	CCP (E)	DWP (E)	SSAM (E)	WC (E)	NS (E)	BNSF (W)	KCS (W)	SOO (W)	UP (W)	ST Hours Pd	National Increase	National Contract
UTU	93,308,110	--	35,370	115,497	542,898	1,429,842	133,469	79,324	14,355	639,019	--	--	--	1,313,537	--	69,005,801	95.388%	95.388%
TCU	15,906,089	--	14,988	123,299	278,751	490,759	13,697	27,487	0	122,443	--	--	--	476,089	--	14,358,618	90.271%	90.271%
BLET	67,492,528	11,308,000	19,849	65,588	404,581	929,604	103,045	70,931	11,440	555,994	9,887,735	19,838,612	--	1,082,091	--	23,117,077	34.251%	34.251%
SNW	1,919,076	--	0	3,903	0	34,456	0	0	0	0	--	--	--	3,335	--	1,877,382	97.827%	97.827%
BRS	11,482,130	--	8,470	0	98,976	219,329	29,817	13,238	0	116,174	--	--	--	103,951	--	10,890,175	94.845%	94.845%
BMWE	46,373,055	--	60,177	0	398,876	968,041	169,616	0	79,255	958,927	--	--	--	895,048	--	42,845,117	92.392%	92.392%
TCU-CAR	20,206,363	--	25,968	54,605	216,281	520,782	24,519	18,908	0	322,127	--	--	--	288,799	--	18,733,386	92.710%	92.710%
IBFO	4,413,389	--	2,316	0	33,515	80,868	0	0	0	0	--	--	--	65,814	--	4,230,876	95.865%	95.865%
IAM	12,628,673	--	9,520	42,989	18,096	272,563	7,176	3,624	0	49,088	--	--	--	167,905	--	12,055,713	95.476%	95.476%
IBBM	2,032,168	--	0	1,796	0	56,450	2,102	0	0	0	--	--	--	62,834	--	1,908,988	93.936%	93.936%
IBEW	9,379,172	--	10,738	66,329	34,688	188,236	11,365	3,512	4,912	32,687	--	--	--	105,975	--	8,920,750	95.112%	95.112%
ATDA	4,349,885	648,379	0	1,894	27,669	78,438	0	7,408	0	61,791	875,847	1,190,109	70,551	84,615	1,302,414	0	0.000%	0.000%
UTU-YMC	4,009,853	1,122,484	0	0	63,775	81,254	0	0	0	42,136	--	--	--	79,967	886,832	1,723,405	42.979%	42.979%
OTHER	49,259,229	--	--	--	--	--	--	--	--	--	--	--	--	--	--	49,259,229	100.000%	100.000%
TOTAL	342,756,730	13,076,863	188,404	475,871	2,117,054	5,350,622	494,805	225,410	109,962	2,900,376	10,763,382	21,128,721	70,551	4,729,938	2,199,248	278,925,525		1121.058%
Sum (for proofing)																		

* In some cases, a railroad union is part of the national agreement but is being benchmarked as independent in anticipation of future independent agreements or because of a variation in their interpretation of the agreement

Statistics based on AAR's 2006 112-Class Wage Statistics and knowledge of contracts as of August 2007

Percentages are full float

ATDA (dispatcher) are independent for each railroad Although BNSF, CSX, and KCS are participating in a tentative national agreement, they are benchmarked as independent NS is participating for H&W only UP is non-union
IC & UP dispatchers are non-union, and given same increases as non-union, but handled independently

U.S. 2006 Benchmark

	From AAR 112-Class Wage Statistics & Survey					ST \$ Adjusted to Exclude Lump Sums	2006 Average Hourly Rates		12/31/2006 ST HR	ST Hrs. 2006 Weights
	ST Hrs.	ST \$	PFTNW \$	Union L. Sum						
				ST wo LS	PFTNW					
UTU	93,309,110	\$1,888,807,695	\$761,538,751	\$653,726	\$1,888,153,969	\$20,235	\$8.161	\$20,242	0.27223	
TCU	15,906,099	355,965,072	80,721,905	3,972,012	351,993,060	22,129	5.075	22,134	0.04641	
BLET	67,492,528	1,554,100,984	587,199,358	84,526,156	1,469,574,828	21,774	8.700	21,778	0.19691	
SMWIA	1,919,076	41,554,443	7,728,540	2,668	41,551,775	21,652	4.027	21,658	0.00560	
BRS	11,482,130	265,659,219	56,791,678	113,459	265,545,760	23,127	4.946	23,130	0.03350	
BMWE	46,373,055	926,828,567	165,912,556	300,788	926,527,779	19,980	3.578	19,991	0.13529	
TCU-CAR	20,206,363	432,568,838	76,282,858	91,643	432,477,195	21,403	3.775	21,412	0.05895	
NCFO	4,413,389	78,459,511	13,606,020	59,772	78,399,739	17,764	3.083	17,776	0.01288	
IAM	12,626,673	273,501,081	51,332,102	40,775	273,460,306	21,657	4.065	21,672	0.03684	
IBBM	2,032,168	40,120,524	5,985,679	119,125	40,001,399	19,684	2.945	19,698	0.00593	
IBEW	9,379,172	208,543,671	38,230,881	74,601	208,469,070	22,227	4.076	22,232	0.02736	
ATDA	4,348,885	143,526,067	28,288,220	5,462,409	138,063,658	31,747	6.505	31,801	0.01269	
UTU-YMD	4,009,853	112,159,739	28,694,761	1,812,056	110,347,683	27,519	7.156	27,524	0.01170	
OTHER	49,258,229	2,025,403,900	69,439,132	0	2,025,403,900	41,118	1.410	41,118	0.14371	
AAR 112 Total	342,756,730	8,347,199,311	1,971,752,441	97,229,190	8,249,970,121	24,069	5.753	24,076	1.00000	
Sum (for proofing)						332.01699	67.50320	332.16670		

Year-End Figures are calculated, based on 2006 ws-112 and union contracts, in YearEnd2006_final.xls exhibited in document titled "Year-End 2006 ST Hourly Rates for U.S."

The ST Hours Weights and the Hourly Rates are full float

Wage Rates After Adjusting for New National Contracts Page 1 of 2

		2006		ST	ST\$	Total ST\$	Total ST	ST Hourly
		ST Hrs Pd		Rate	(excl ULS)	(excl ULS)	Hours	Rate
BLE	BLET	19,849	12/31/06	25 699	510,097 0			
BNSF	BLET	19,938,612	12/31/06	15 980	318,609,271.1			
CCP	BLET	103,045	12/31/06	27.737	2,858,162.0			
CSX	BLET	11,306,000	12/31/06	23 053	260,635,063.0			
DMIR	BLET	65,589	12/31/06	23 984	1,573,098.9			
DWP	BLET	70,931	12/31/06	33.183	2,354,414.0			
GTW	BLET	404,561	12/31/06	33.549	13,572,782.8			
IC	BLET	929,604	12/31/06	28.329	26,334,711 0			
NS	BLET	9,887,735	12/31/06	23.991	237,215,418 0			
SOO	BLET	1,082,081	12/31/06	21.548	23,317,041 5			
SSAM	BLET	11,440	12/31/06	24.843	284,209 0			
WC	BLET	555,994	12/31/06	25.421	14,133,799 0			
National	BLET	23,117,077	12/31/06	24 590	568,456,330.4	\$1,468,854,397 7	67,492,528 0	\$21.77803

Less 7/1/05 COLA	\$0 150
Less 1/1/06 COLA	\$0.310
Less 7/1/06 COLA	\$0 010
Plus 7/1/05 GWI	2 50%
Plus 7/1/06 GWI	3.00%
Plus 7/1/07 GWI	3.00%
New National BLET	10/1/07 26 228

This is a check of the Natwage2006RCAF spreadsheet, which contains year-end averages but updates only for national wage increases. The wage rate for each union category starts with the year-end 2006 average, and updates it to include the new national agreement.

606,337,330 0 \$1,507,735,397 3 67,492,528.0 \$22.33929

BLE	BMWE	60,177	12/31/06	19.617	1,180,503.0			
CCP	BMWE	169,616	12/31/06	20 585	3,491,493 0			
DMIR	BMWE	0	12/31/06	0 000	0 0			
DWP	BMWE	0	12/31/06	0.000	0 0			
GTW	BMWE	396,876	12/31/06	19 844	7,875,587 0			
IC	BMWE	968,041	12/31/06	20 445	19,791,723.2			
SOO	BMWE	895,046	12/31/06	19.112	17,106,294 2			
SSAM	BMWE	79,255	12/31/06	18.091	1,433,768.1			
WC	BMWE	958,927	12/31/06	20.144	19,316,525.6			
National	BMWE	42,845,117	12/31/06	19.999	856,857,614.6	\$927,053,508 8	46,373,055 0	\$19.99121

Less 7/1/05 COLA	\$0.110
Less 1/1/06 COLA	\$0.190
Less 7/1/06 COLA	\$0 010
Plus 7/1/05 GWI	2 50%
Plus 7/1/06 GWI	3 00%
Plus 1/1/07 Rate Adj	\$0.470
Plus 7/1/07 GWI	3.00%
New National BMWE	10/1/07 21.894

938,064,439 8 \$1,008,260,334 0 46,373,055 0 \$21.74237

BLE	BRS	9,470	12/31/06	22 384	211,977.0			
CCP	BRS	29,817	12/31/06	23 608	703,906.0			
DMIR	BRS	0	12/31/06	0 000	0 0			
DWP	BRS	13,238	12/31/06	28.534	351,252 3			
GTW	BRS	99,976	12/31/06	23 191	2,318,590 9			
IC	BRS	219,329	12/31/06	23 574	5,170,410 6			
SOO	BRS	103,951	12/31/06	21.701	2,255,851.8			
SSAM	BRS	0	12/31/06	0.000	0 0			
WC	BRS	116,174	12/31/06	26 969	3,133,088 0			
National	BRS	10,890,175	12/31/06	23 089	251,441,181 0	\$265,586,257 6	11,482,130 0	\$23 13040

Plus 7/1/05 GWI	2 50%
Plus 7/1/06 GWI	3 00%
Plus 7/1/07 GWI	3.00%
New National BRS	10/1/07 25 107

273,422,797 6 \$287,567,874 3 11,482,130 0 \$25.04482

Wage Rates After Adjusting for New National Contracts

Page 2 of 2

		2006	ST	ST\$	Total ST\$	Total ST	ST Hourly
		ST Hrs Pd	Rate	(excl ULS)	(excl ULS)	Hours	Rate
BLE	IBBM	0 12/31/06	0 000	0.0			
CCP	IBBM	2,102 12/31/06	18,510	38,908.0			
DMIR	IBBM	1,796 12/31/06	21,604	38,801.0			
DWP	IBBM	0 12/31/06	0 000	0 0			
GTW	IBBM	0 12/31/06	0 000	0.0			
IC	IBBM	56,450 12/31/06	21,416	1,208,851.1			
SOO	IBBM	62,834 12/31/06	24 475	1,537,835.2			
SSAM	IBBM	0 12/31/06	0.000	0.0			
WC	IBBM	0 12/31/06	0 000	0 0			
National	IBBM	1,908,986 12/31/06	19,489	37,204,377 9	\$40,028,873 2	2,032,168 0	\$19 69762
		Less 7/1/05 COLA	\$0.150				
		Less 1/1/06 COLA	\$0.310				
		Less 7/1/06 COLA	\$0.010				
		Plus 7/1/05 GWI	2 50%				
		Plus 7/1/06 GWI	3 00%				
		Plus 6/1/07 Rate Adj	\$0.340				
		Plus 7/1/07 GWI	3 00%				
		New National IBBM	10/1/07	21.032	40,149,743.6	\$42,974,238.9	2,032,168 0 \$21.14699
BLE	NCFO	2,316 12/31/06	19,304	44,709.1			
CCP	NCFO	0 12/31/06	0.000	0.0			
DMIR	NCFO	0 12/31/06	0.000	0 0			
DWP	NCFO	0 12/31/06	0.000	0 0			
GTW	NCFO	33,515 12/31/06	18,883	632,860.4			
IC	NCFO	80,888 12/31/06	19,457	1,573,445.3			
SOO	NCFO	65,814 12/31/06	18,018	1,185,815.1			
SSAM	NCFO	0 12/31/06	0.000	0.0			
WC	NCFO	0 12/31/06	0.000	0.0			
National	NCFO	4,230,876 12/31/06	17,731	75,017,174.4	\$78,454,004 2	4,413,389 0	\$17 77636
		Less 7/1/05 COLA	\$0.150				
		Less 1/1/06 COLA	\$0.310				
		Less 7/1/06 COLA	\$0.010				
		Plus 7/1/05 GWI	2 50%				
		Plus 7/1/06 GWI	3.00%				
		Plus 7/1/07 GWI	3.00%				
		New National NCFO	10/1/07	18.770	79,413,010.9	\$82,849,840 8	4,413,389 0 \$18.77239
BLE	SMW	0 12/31/06	0 000	0 0			
CCP	SMW	0 12/31/06	0 000	0 0			
DMIR	SMW	3,903 12/31/06	22 013	85,916 2			
DWP	SMW	0 12/31/06	0.000	0 0			
GTW	SMW	0 12/31/06	0 000	0 0			
IC	SMW	34,456 12/31/06	22,095	761,308 3			
SOO	SMW	3,335 12/31/06	21 060	70,236 7			
SSAM	SMW	0 12/31/06	0.000	0 0			
WC	SMW	0 12/31/06	0 000	0 0			
National	SMW	1,877,382 12/31/06	21,650	40,645,140 9	\$41,562,602 1	1,919,076.0	\$21 65761
		Less 7/1/05 COLA	\$0.150				
		Less 1/1/06 COLA	\$0 310				
		Less 7/1/06 COLA	\$0 010				
		Plus 7/1/05 GWI	2 50%				
		Plus 7/1/06 GWI	3.00%				
		Plus 7/1/07 GWI	3 00%				
		New National SMW	10/1/07	23.032	43,238,932 3	\$44,156,393 4	1,919,076 0 \$23.00919

4.600%

GLN Water	W6	24.75	1.48	8.2
Hardware	PHW	19.04	0.47	10.1
Healthcare	PTH	28.60	-0.69	10.3
Healthcare Services	PTJ	27.75	-0.32	9.0
Industrials	PRN	30.96	-0.51	15.4
Insurance	PKC	17.82	-0.22	-3.3
Large Blend	PJF	26.73	-0.60	4.0
Large Growth	PWB	17.70	-0.51	5.9
Large Value	PWV	20.13	-1.03	1.8
Leisure & Ent	PEJ	17.56	-1.18	-2.3
MagnQuant	PMQ	26.97	-0.74	1.5
Media	PBS	15.56	-0.19	-3.8
Mid Blend	PJG	27.34	-0.22	6.3
Mid Growth	PWJ	22.67	-0.83	19.2
Mid Value	PWP	19.62	-0.56	5.7
Networking	PKQ	19.06	-1.24	8.7
Oil & Gas Svcs	PKJ	25.42	-0.97	27.9
OTC Market	PWO	54.81	-0.98	5.1
Pharmaceuticals	PJP	18.10	-0.93	-0.4
Retail	PBR	18.24	-1.46	-6.8
Semiconductors	PSI	18.52	-0.64	7.7
Small Blend	PJM	25.88	-0.80	0.7
Small Growth	PWT	17.89	-1.27	1.4
Small Value	PWY	18.00	-1.10	-0.6
Software	PSJ	19.39	-0.97	0.9
Technology	PTF	26.99	-0.82	4.3
Telecom	PTE	20.97	0.33	9.3
Utilities	PUR	18.49	-2.63	-2.3

PowerShares Fundamental

Asia Pac ex-Japan	PAF	50.39	1.29	2.5
Basic Materials	PRFM	63.56	-0.22	13.7
Consumer Goods	PRFG	51.25	-0.31	1.7
Consumer Svcs	PRFS	53.20	-0.58	-3.3
Develop Mkts ex-US	PEJ	48.53	0.81	-2.7
Energy	PRPE	66.98	-0.76	16.6
Financials	PRFF	49.89	-1.27	-7.8
Health Care	PRFH	52.55	-0.04	4.3
Industrials	PRFN	60.56	-0.13	11.9
Japan	PJO	48.11	-0.08	-4.1
Telecom & Tech	PRFQ	58.83	-0.29	8.6
US 1000	PRF	59.67	-0.81	2.8
US 1500	PRFZ	55.50	-0.98	2.0
Utilities	PRFU	56.18	-2.16	1.6

PowerShares: Deutsche Bank

Agriculture	DBA	26.61	-0.45	6.4
Base Metals	DBB	25.91	-1.48	9.3
Commodities	DBC	25.66	0.12	4.4
Currencies	DBV	27.86	-0.38	7.4
Energy	DBE	28.05	0.94	16.0
Gold	DBL	26.28	-0.38	9.0
Oil	DBO	26.61	1.03	9.6
Precious Metals	DBP	25.53	-0.82	6.2
Silver	DBS	23.11	-2.45	-4.4
US Dollar Bear	UDW	26.42	-0.15	5.8
US Dollar Bull	UDF	24.76	-0.08	-1.2

ProShares

Short Dow 30	DOE	59.68	0.47	-4.6
Short MidCap400	MYV	60.89	0.81	-4.1
Short QQQ	PSQ	58.10	1.04	-7.6
Short Rus 2000	RWN	70.88	0.88	0.8
Short S&P	SH	61.50	0.85	-1.3
Short SmCap600	SBB	68.15	0.55	-2.5
Ultra Basic Mtrls	UVM	81.50	-1.13	12.1
Ultra Consmr Gds	UGE	71.00	1.41	-0.6
Ultra Consmr Svcs	UCC	62.48	-1.11	-12.9
Ultra Dow 30	DOM	91.40	-0.94	10.1
Ultra Fnl	UYG	56.68	-2.28	-20.6
Ultra Hlth Cr	RXL	68.53	-0.39	-3.6
Ultra Industrials	UOI	82.40	-0.69	13.0
Ultra Oil Gas	DIG	94.32	-1.60	32.7
Ultra QQQ	QLD	93.87	-1.96	15.8
Ultra RE Est	URE	42.72	-3.46	-40.2
Ultra Rus 2000	URW	67.56	-2.54	-4.8
Ultra S&P	SSO	88.65	-1.72	2.7
Ultra Semicond	USD	82.07	-1.89	16.0
Ultra SmCap600	SAA	72.29	-1.20	1.8
Ultra Technology	ROB	77.08	-1.19	10.1
Ultra Utilities	UPW	74.00	-5.58	4.7
Ultra MidCap400	MVY	84.73	-2.33	8.2
Ultra Short QQQ	QSD	45.64	2.10	-16.2
Ultra Rus 1000Gr	URF	70.28	-0.92	1.1
Ultra Rus 1000Val	URV	65.99	-0.82	-4.9
Ultra Rus 2000Gr	URK	67.80	-0.29	-3.9
Ultra Rus 2000Val	URV	56.78	-1.47	-18.6
Ultra Rus MidCapGr	URW	67.98	-0.01	-3.5
Ultra Rus MidCapVal	URV	60.60	-2.18	-12.1
Ultra Shrt Consmr Gds	SZK	68.71	1.00	-
Ultra Shrt Consmr Svcs	SOC	77.49	1.53	13.1
Ultra Shrt Fnl	SIF	82.00	2.58	19.5
Ultra Shrt Industrials	SUJ	57.79	0.45	-14.3
Ultra Shrt Materials	SMN	56.03	2.76	-16.9
Ultra Shrt Oil Gas	NRG	49.09	1.95	-28.8

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

	July Index level	CHG FROM (%)	June '07	July '06
U.S. consumer price index				
All items	208.3			2.4
Core	210.8		0.1	2.2

International rates

	Latest	Week ago	-52 WEEK - High	Low
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Prime rates

	Latest	Week ago	-52 WEEK - High	Low
Canada	6.25	6.25	6.25	6.00
Euro zone	4.00	4.00	4.00	3.00
Japan	1.875	1.875	1.875	1.625
Switzerland	3.97	4.23	4.62	2.74
Britain	5.75	5.75	5.75	4.75
Australia	6.50	6.50	6.50	6.00
Hong Kong	8.00	8.00	8.25	8.00

Overnight repurchase

	Latest	Week ago	-52 WEEK - High	Low
U.S.	5.05	4.25	5.30	2.38
U.K. (BBAs)	5.840	5.925	6.583	4.700
Euro zone	3.89	4.02	4.29	3.01

U.S. government rates

	Latest	Week ago	-52 WEEK - High	Low
Discount	5.75	5.75	6.25	5.75

Federal funds

	Latest	Week ago	-52 WEEK - High	Low
Effective rate	5.28	5.12	5.42	4.62
High	5.5000	5.5000	7.0000	5.2500
Low	5.0000	3.0000	5.2800	0.2500
Bid	5.0000	4.7500	6.7500	0.5000
Offer	5.2500	5.0000	7.0000	1.0000

Treasury bill auction

	Latest	Week ago	-52 WEEK - High	Low
4 weeks	4.750	4.560	5.175	4.335
13 weeks	4.600	2.850	5.095	2.850
26 weeks	4.590	3.950	4.980	3.950

Secondary market

Freddie Mac

	Latest	Week ago	-52 WEEK - High	Low
30-year mortgage yields				
30 days	6.19	6.33	6.63	5.81
60 days	6.21	6.36	6.64	5.82
One-year RNY	3.375	3.375	3.375	3.375

Constant maturity debt index

	Latest	Week ago	-52 WEEK - High	Low
Three months	5.081	5.023	5.321	4.940
Six months	5.104	5.198	5.415	4.978
One year	4.934	4.721	5.339	4.676

Fannie Mae

	Latest	Week ago	-52 WEEK - High	Low
30-year mortgage yields				
30 days	6.359	6.447	6.727	5.913
60 days	6.379	6.465	6.761	5.924

Bankers acceptances

	Latest	Week ago	-52 WEEK - High	Low
30 days	5.47	5.52	5.58	5.27
60 days	5.49	5.52	5.56	5.28
90 days	5.49	5.51	5.51	5.28
120 days	5.46	5.43	5.48	5.26
150 days	5.46	5.40	5.46	5.24
180 days	5.46	5.36	5.46	5.21

Notes on data:

U.S. prime rate and discount rate are effective June 29, 2006. U.S. prime rate is the base rate on corporate loans posted by at least 75% of the 30 largest U.S. banks. Other prime rates aren't directly comparable. Lending practices vary widely by location. Discount rate is the charge on loans to depository institutions.

2005 2006 2007

Sources: St. Louis Federal Reserve, Thomson Datastream

August 27, 2007

Other short-term rates

	Latest	Week ago	-52 WEEK - High	Low
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Call money

	Latest	Week ago	-52 WEEK - High	Low
7.00	7.00	7.00	7.00	7.00

Commercial paper

	Latest	Week ago	-52 WEEK - High	Low
1 to 6 days	5.00			
7 to 9 days	5.10			
10 to 29 days	5.15			
30 to 90 days	5.22			
91 to 121 days	5.17			
122 to 150 days	5.13			
151 to 182 days	5.10			
183 to 210 days	5.03			
211 to 240 days	4.97			
241 to 270 days	4.92			

Dealer commercial paper

	Latest	Week ago	-52 WEEK - High	Low
30 days	5.48	5.48	5.67	5.24
60 days	5.48	5.48	5.55	5.22
90 days	5.47	5.47	5.53	5.18

Euro commercial paper

	Latest	Week ago	-52 WEEK - High	Low
30 day	5.24	4.06	5.24	2.00
Two month	5.26	4.13	5.26	3.13
Three month	5.23	4.18	5.23	3.21
Four month	5.22	4.20	5.22	3.25
Five month	5.21	4.20	5.21	3.34
Six month	5.16	4.21	5.16	3.38

London interbank offered rate, or Libor

	Latest	Week ago	-52 WEEK - High	Low
One month	5.58250	5.50125	5.61875	5.31913
Three month	5.50563	5.49500	5.57500	5.33000
Six month	5.41125	5.34750	5.46063	5.25688
One year	5.20000	5.07750	5.50656	5.04500

Euro Libor

	Latest	Week ago	-52 WEEK - High	Low
One month	4.448	4.439	4.455	3.091
Three month	4.733	4.666	4.736	3.254
Six month	4.751	4.666	4.759	3.433
One year	4.775	4.665	4.803	3.605

Euro interbank offered rate (Euribor)

	Latest	Week ago	-52 WEEK - High	Low
One month	4.439	4.437	4.456	3.093
Three month	4.728	4.656	4.728	3.254
Six month	4.745	4.667	4.757	3.432
One year	4.764	4.670	4.791	3.605

Hibor

	Latest	Week ago	-52 WEEK - High	Low
One month	4.557	4.581	4.901	3.833
Three month	4.608	4.640	4.851	3.904
Six month	4.650	4.639	5.507	3.950
One year	4.666	4.621	5.688	3.964

Asian dollars

	Latest	Week ago	-52 WEEK - High	Low
One month	5.517	5.375	5.643	5.323
Three month	5.511	5.525	5.555	5.370
Six month	5.430	5.373	5.460	5.250
One year	5.240	5.138	5.503	5.082

Eurodollars (mid rates)

	Latest	Week ago	-52 WEEK - High	Low
One month	5.46	5.50	5.51	5.60
Two month	5.48	5.52	5.52	5.53
Three month	5.48	5.52	5.52	5.52
Four month	5.48	5.48	5.48	5.25
Five month	5.48	5.48	5.41	5.44
Six month	5.35	5.45	5.39	5.44

4.750	10		
7.500	Australia 2		
6.000	10		
3.750	Canada 2		
4.000	10		
4.500	Germany 2		
4.250	10		
1.800	Japan 2		
1.900	10		
4.000	Sweden 2		
3.750	10		
1.750	Switzerland 2		
4.250	10		
4.000	U.K. 2		
8.750	10		

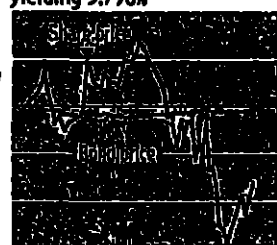
Corporate Debt

Price moves by a company's debt in the credit market in that same company's share price. Here's a look

Investment-Grade

Home Depot: 4.625% notes due Aug. 15, 2010 yielding 5.798%

The company agreed to sell its wholesale supply unit for \$8.5 billion, 18% less than the earlier price it agreed to in June.



**RCAF Lump Sum Amortization
2007/Q4**

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hour	U.S. ST Hours	
DMIR - SMW	2007Q1	2007Q1	\$3,000	0.00001	0.00004	342,756,730	2006
DWP - BRS	2006Q4	2007Q1	\$6,000	0.00002	0.00007	342,756,730	2006
DMIR - IBBM	2007Q1	2007Q2	\$4,000	0.00001	0.00005	342,756,730	2006
IC - TCU-CAR	2007Q1	2007Q2	\$226,500	0.00066	0.00264	342,756,730	2006
NS - BLET & ATDA	2007Q1	2007Q2	\$30,264,380	0.08830	0.35319	342,756,730	2006
CSX - BLET	2007Q3	2007Q3	\$14,435,000	0.04211	0.16846	342,756,730	2006
CNGT - various ¹	Various	2007Q4	\$387,000	0.00113	0.00452	342,756,730	2006
Total			\$45,325,880	0.13224			

Should be slightly less
than amortized amount.

Fell out

Interest Rate

2007/Q1	4.940
2007/Q2	5.035
2007/Q3	4.775
2007/Q4	4.600
2008/Q1	
2008/Q2	
2008/Q3	
2008/Q4	
2009/Q1	
2009/Q2	
2009/Q3	
2009/Q4	

Lump Sum Adjustment for 2007 Q4 → 0.136140
or
0.136

¹ DWP TCU-CAR, GTW BLET, and GTW TCU

SCHEDULE: DMIR SMW

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00004			
2007/Q1	4	4.940	1.2350	\$0.00003	\$0.00001	\$0.00000	\$0.00001
2007/Q2	3	5.035	1.2588	\$0.00002	\$0.00001	\$0.00000	\$0.00001
2007/Q3	2	4.775	1.1938	\$0.00001	\$0.00001	\$0.00000	\$0.00001
2007/Q4	1	4.600	1.1500	\$0.00000	\$0.00001	\$0.00000	\$0.00001

SCHEDULE: DWP BRS

Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00007			
2007/Q1	4	4.940	1.2350	\$0.00005	\$0.00002	\$0.00000	\$0.00002
2007/Q2	3	5.035	1.2588	\$0.00004	\$0.00002	\$0.00000	\$0.00002
2007/Q3	2	4.775	1.1938	\$0.00002	\$0.00002	\$0.00000	\$0.00002
2007/Q4	1	4.600	1.1500	\$0.00000	\$0.00002	\$0.00000	\$0.00002

SCHEDULE: DMIR IBBM

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00005			
2007/Q2	4	5.035	1.2588	\$0.00004	\$0.00001	\$0.00000	\$0.00001
2007/Q3	3	4.775	1.1938	\$0.00002	\$0.00001	\$0.00000	\$0.00001
2007/Q4	2	4.600	1.1500	\$0.00001	\$0.00001	\$0.00000	\$0.00001
2008/Q1	1		0.0000	\$0.00000	\$0.00001	\$0.00000	\$0.00001

SCHEDULE: IC TCU-CAR

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00264			
2007/Q2	4	5.035	1.2588	\$0.00199	\$0.00068	\$0.00003	\$0.00065
2007/Q3	3	4.775	1.1938	\$0.00134	\$0.00068	\$0.00002	\$0.00066
2007/Q4	2	4.600	1.1500	\$0.00067	\$0.00068	\$0.00002	\$0.00067
2008/Q1	1		0.0000	\$0.00000	\$0.00067	\$0.00000	\$0.00067

SCHEDULE: NS BLET & ATDA (Thoroughbred Performance Bonus)

Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.35319			
2007/Q2	4	5.035	1.2588	\$0.26654	\$0.09109	\$0.00445	\$0.08665
2007/Q3	3	4.775	1.1938	\$0.17875	\$0.09098	\$0.00318	\$0.08779
2007/Q4	2	4.600	1.1500	\$0.08988	\$0.09092	\$0.00206	\$0.08886
2008/Q1	1		0.0000	\$0.00000	\$0.08988	\$0.00000	\$0.08988

SCHEDULE: CSX BLET

Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.16846			
2007/Q3	4	4.775	1.1938	\$0.12709	\$0.04338	\$0.00201	\$0.04137
2007/Q4	3	4.600	1.1500	\$0.08521	\$0.04334	\$0.00146	\$0.04188
2008/Q1	2		0.0000	\$0.04261	\$0.04261	\$0.00000	\$0.04261
2008/Q2	1		0.0000	\$0.00000	\$0.04261	\$0.00000	\$0.04261

SCHEDULE: CNGT various (DWP TCU-CAR, GTW BLET, and GTW TCU)

Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00452			
2007/Q4	4	4.600	1.1500	\$0.00341	\$0.00116	\$0.00005	\$0.00111
2008/Q1	3		0.0000	\$0.00227	\$0.00114	\$0.00000	\$0.00114
2008/Q2	2		0.0000	\$0.00114	\$0.00114	\$0.00000	\$0.00114
2008/Q3	1		0.0000	\$0.00000	\$0.00114	\$0.00000	\$0.00114

1

RCAF Back Pay Amortization 2007/Q4

	Quarter of Payment	Quarter Amortization Began	Amount	Annual Per ST Hour	1 Quarter Per ST Hr.	U.S. ST Hours	
IC - IBBM	2006/Q4	2007Q1	\$42,252	0 00012327	0 00049	342,756,730	2006
DMIR - SMW	2007Q1	2007Q1	\$3,577	0 00001044	0 00004	342,756,730	2006
DWP - BRS	2006/Q4	2007Q1	\$19,668	0 00005738	0 00023	342,756,730	2006
BLE - UTU	2006/Q3	2007Q1	(\$16,809)	-0 00004904	-0.00020	342,756,730	2006
GTC/CN - various ¹	2007Q1	2007Q2	\$3,003,130	0 00876170	0 03505	342,756,730	2006
CSX - BLET(etro GWI)	2007Q2	2007Q3	\$477,940	0 00139440	0 00558	342,756,730	2006
National IBBM	2007Q2	2007Q3	\$71,390	0 00020828	0 00083	342,756,730	2006
National 7 Unions ²	2007Q3	2007Q4	\$119,981,393	0 35004825	1 40019	342,756,730	2006
BNSF - BLET	2007Q3	2007Q4	\$15,874,984	0.04631560	0 18526	342,756,730	2006
CSX - BLET (ECS offset)	2007Q2	2007Q4	(\$243,379)	-0 00071006	-0 00284	342,756,730	2006
GTC/CN - various ³	2007Q3	2007Q4	\$8,408,734	0 02453266	0 09813	342,756,730	2006
SOO - BLET	2007Q3	2007Q4	\$1,490,393	0 00434825	0 01739	342,756,730	2006
Total			\$149,113,272	0 43504112			

Should be slightly less
than amortized amount

Fell out

IC various	2006/Q1	2006/Q4	\$587,093	0 00175517	0 00702	334,493,612	2006
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Interest Rate

2007/Q1	4 940
2007/Q2	5 035
2007/Q3	4 775
2007/Q4	4 600
2008/Q1	
2008/Q2	
2008/Q3	
2008/Q4	
2009/Q1	
2009/Q2	
2009/Q3	
2009/Q4	

Back Pay Adjustment for 2007/Q4	→ 0.44763 or 0.448
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¹ BLE BLET, DMIR IBBM, GTW BLET, UTU, UTU-YMD, and IC TCU-CAR

² National BLET, BMW, BRS, IBBM, NCFO, SMW, and ATDA

³ DWP TCU-CAR, GTW TCU, IC&CCP BMW and UTU, and WC&SSAM UTU

SCHEDULE: IC IBBM
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00049			
2007/Q1	4	4 940	1 2350	\$0.00037	\$0 00013	\$0 00001	\$0.00012
2007/Q2	3	5 035	1.2588	\$0 00025	\$0.00013	\$0 00000	\$0 00012
2007/Q3	2	4 775	1 1938	\$0 00013	\$0 00013	\$0 00000	\$0 00012
2007/Q4	1	4 600	1 1500	\$0 00000	\$0.00013	\$0 00000	\$0.00013

SCHEDULE: DMIR SMW
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00004			
2007/Q1	4	4.940	1 2350	\$0 00003	\$0 00001	\$0 00000	\$0 00001
2007/Q2	3	5 035	1 2588	\$0 00002	\$0 00001	\$0 00000	\$0 00001
2007/Q3	2	4 775	1 1938	\$0.00001	\$0 00001	\$0 00000	\$0 00001
2007/Q4	1	4.600	1 1500	\$0 00000	\$0.00001	\$0 00000	\$0 00001

SCHEDULE: DWP BRS
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00023			
2007/Q1	4	4 940	1 2350	\$0 00017	\$0 00006	\$0 00000	\$0 00006
2007/Q2	3	5 035	1 2588	\$0 00012	\$0 00006	\$0.00000	\$0 00006
2007/Q3	2	4 775	1 1938	\$0 00006	\$0 00006	\$0 00000	\$0 00006
2007/Q4	1	4.600	1 1500	\$0 00000	\$0.00006	\$0.00000	\$0 00006

SCHEDULE: BLE UTU
 Added 2007Q1

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0.00020)			
2007/Q1	4	4.940	1 2350	(\$0 00015)	(\$0.00005)	(\$0 00000)	(\$0.00005)
2007/Q2	3	5 035	1 2588	(\$0 00010)	(\$0 00005)	(\$0 00000)	(\$0.00005)
2007/Q3	2	4 775	1 1938	(\$0.00005)	(\$0 00005)	(\$0.00000)	(\$0 00005)
2007/Q4	1	4 600	1 1500	(\$0 00000)	(\$0.00005)	(\$0 00000)	(\$0.00005)

SCHEDULE: BLE BLET(UTU), DMIR IBBM, GTW BLET, GTW UTU, GTW UTU-YMD, IC TCU-CAR
 Added 2007Q2

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 03505			
2007/Q2	4	5 035	1 2588	\$0 02645	\$0 00904	\$0 00044	\$0 00860
2007/Q3	3	4 775	1 1938	\$0 01774	\$0 00903	\$0 00032	\$0 00871
2007/Q4	2	4 600	1 1500	\$0 00892	\$0.00902	\$0 00020	\$0 00882
2008/Q1	1		0 0000	\$0 00000	\$0 00892	\$0 00000	\$0 00892

SCHEDULE: CSX BLET (retro GWI)
 Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0.00558			
2007/Q3	4	4 775	1 1938	\$0 00421	\$0 00144	\$0 00007	\$0 00137
2007/Q4	3	4 600	1.1500	\$0 00282	\$0.00144	\$0 00005	\$0 00139
2008/Q1	2		0 0000	\$0 00141	\$0.00141	\$0 00000	\$0 00141
2008/Q2	1		0 0000	\$0 00000	\$0.00141	\$0 00000	\$0 00141

SCHEDULE: National IBBM
Added 2007Q3

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 00083			
2007/Q3	4	4 775	1 1938	\$0 00083	\$0 00021	\$0 00001	\$0 00020
2007/Q4	3	4 600	1 1500	\$0 00042	\$0.00021	\$0 00001	\$0 00021
2008/Q1	2		0 0000	\$0 00021	\$0 00021	\$0 00000	\$0.00021
2008/Q2	1		0 0000	\$0 00000	\$0 00021	\$0 00000	\$0 00021

SCHEDULE: National BLET, BMW, BRS, IBBM, NCFO and SMW
Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$1 40019			
2007/Q4	4	4 600	1 1500	\$1 05613	\$0.36017	\$0 01610	\$0 34407
2008/Q1	3		0 0000	\$0.70408	\$0 35204	\$0 00000	\$0 35204
2008/Q2	2		0 0000	\$0 35204	\$0 35204	\$0 00000	\$0 35204
2008/Q3	1		0 0000	\$0 00000	\$0 35204	\$0 00000	\$0 35204

SCHEDULE: BNSF BLET
Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 18526			
2007/Q4	4	4 600	1 1500	\$0 13974	\$0.04765	\$0 00213	\$0 04552
2008/Q1	3		0 0000	\$0 09316	\$0 04658	\$0 00000	\$0 04658
2008/Q2	2		0 0000	\$0 04658	\$0 04658	\$0 00000	\$0 04658
2008/Q3	1		0 0000	\$0 00000	\$0 04658	\$0 00000	\$0 04658

SCHEDULE: CSX BLET (ECS offset)

Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				(\$0 00284)			
2007/Q4	4	4 600	1 1500	(\$0.00214)	(\$0.00079)	(\$0 00003)	(\$0 00070)
2008/Q1	3		0 0000	(\$0 00143)	(\$0 00071)	\$0 00000	(\$0 00071)
2008/Q2	2		0 0000	(\$0 00071)	(\$0 00071)	\$0 00000	(\$0 00071)
2008/Q3	1		0 0000	\$0 00000	(\$0.00071)	\$0 00000	(\$0 00071)

SCHEDULE: DWP TCU-CAR; GTW TCU; IC&CCP BMW and UTU; and WC&SSAM UTU

Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 09813			
2007/Q4	4	4 600	1 1500	\$0 07402	\$0.02524	\$0 00113	\$0 02411
2008/Q1	3		0 0000	\$0 04934	\$0.02467	\$0 00000	\$0 02467
2008/Q2	2		0 0000	\$0.02467	\$0 02467	\$0.00000	\$0 02467
2008/Q3	1		0 0000	\$0 00000	\$0 02467	\$0.00000	\$0 02467

SCHEDULE: SOO BLET

Added 2007Q4

	Periods Remain- ing	3 Mo Treas Bill Rate	Qtly Int Rate	Principal Balance After Payment	Qtly Payment	Interest Payment	Principal Payment
Lump Sum				\$0 01739			
2007/Q4	4	4 600	1.1500	\$0 01312	\$0.00447	\$0 00020	\$0 00427
2008/Q1	3		0 0000	\$0 00875	\$0 00437	\$0.00000	\$0 00437
2008/Q2	2		0 0000	\$0 00437	\$0 00437	\$0.00000	\$0 00437
2008/Q3	1		0 0000	\$0 00000	\$0 00437	\$0 00000	\$0 00437

**Backpay for 7 National Unions
Added to RCAF 2007Q4**

See NewContract_BLET.xls -- BackpaySum tab	\$39,829,628.76
See NewContract_BMWE.xls -- BackpaySum tab	\$43,721,373.22
See NewContract_BRS.xls -- BackpaySum tab	\$25,465,866.80
See NewContract_IBBM.xls -- BackpaySum tab	\$1,787,503.22
See NewContract_NCFO.xls -- BackpaySum tab	\$3,330,404.27
See NewContract_SMW.xls -- BackpaySum tab	\$2,305,131.35
See NewContract_ATDA_BNSF.xls -- BackpaySum tab	\$3,378,265.06
See NewContract_ATDA_CSX.xls -- BackpaySum tab	\$84,502.24
See NewContract_ATDA_KCS.xls -- BackpaySum tab	\$176,966.26
See RCAFbackpay.xls -- NS2007Q4 tab	<u>-\$98,248.11</u>
	\$119,981,393.07

NOTE: National ATDA was signed 9/1/07, the rest 6 contracts were signed 7/1/07.

Back Pay for National BLET Added to RCAF 2007Q4

National BLET New Contract Signed 7/1/07

ST Hours Paid	23,117,077	2006 Wage Statistics
2006 ST Hourly Rate	\$24.58532	2006 Wage Statistics
2006 PFTNW HR	\$5.76361	2006 Wage Statistics
Ratio PFTNW/STHR	0.2344330	calc. from wage statistics
STHR 12/31/2006	\$24.59032	from YearEnd2006_final including COLAs on 1/1/06 and 7/1/06
7/1/05 COLA	\$0.15000	old 1996 Agreement, Article II, Part C
1/1/06 COLA	\$0.31000	NRLC Circular
7/1/06 COLA	\$0.01000	NRLC Circular
1/1/07 COLA	\$0.15000	NRLC Circular
7/1/07 COLA	\$0.10000	NRLC Circular
7/1/05-7/1/07 COLAs out	\$0.72000	new contract, Article III Section 1 (7/1/05 & after COLAs removed)
7/1/05 G.W.I.	2.50%	new contract, Article I Section 1(a)
7/1/06 G.W.I.	3.00%	new contract, Article I Section 2
7/1/07 G.W.I.	3.00%	new contract, Article I Section 3

1/1/07 H&W Offset	\$146.62	NRLC Circular
7/1/07 H&W Offset	\$159.27	NRLC Circular
1/1/07 H&W Offset	\$166.25	new contract, Article IV Part B Section 1(a) & (e)

Qtr.	Total Hourly Rate In 2007 Contract			Total Hourly Rate Paid			Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	Total	ST	PFTNW	Total		Back Pay \$	Mo. Rate		
2005Q1	24.1203	5.6546	29.7749	24.1203	5.6546	29.7749	0.0000	0.0			0.00
2005Q2	24.1203	5.6546	29.7749	24.1203	5.6546	29.7749	0.0000	0.0			0.00
2005Q3	24.7233	5.7960	30.5193	24.2703	5.6898	29.9601	0.5592	3,231,813.9			3,231,813.94
2005Q4	24.7233	5.7960	30.5193	24.2703	5.6898	29.9601	0.5592	3,231,813.9			3,231,813.94
2006Q1	24.7233	5.7960	30.5193	24.5803	5.7624	30.3428	0.1765	1,020,236.4			1,020,236.44
2006Q2	24.7233	5.7960	30.5193	24.5803	5.7624	30.3428	0.1765	1,020,236.4			1,020,236.44
2006Q3	25.4650	5.9698	31.4349	24.5903	5.7648	30.3551	1.0798	6,240,271.7			6,240,271.70
2006Q4	25.4650	5.9698	31.4349	24.5903	5.7648	30.3551	1.0798	6,240,271.7			6,240,271.70
2007Q1	25.4650	5.9698	31.4349	24.7403	5.7999	30.5403	0.8946	5,170,153.6	(\$595,260.1)		4,574,893.44
2007Q2	25.4650	5.9698	31.4349	24.7403	5.7999	30.5403	0.8946	5,170,153.6	(\$595,260.1)		4,574,893.44
2007Q3	26.2290	6.1489	32.3779	24.8403	5.8234	30.6637	1.7142	9,906,859.2	(\$211,661.5)		9,695,197.70
Total											39,829,628.76

2007Q4 26.2290

H&W Employee Cost Sharing			No. of Employees		Old Contract		New Contract		Quarterly Amount
From	Thru				Mo. Rate		Mo. Rate		
2007Q1	2007Q2		10,108		\$146.62		\$166.25		\$595,260.12
2007Q3	2007Q3		10,108		\$159.27		\$166.25		\$211,661.52

Back Pay for National BMW : Added to RCAF 2007Q4

National BMW New Contract Signed 7/1/07 (5 RR)

Employees Paid	24,090	2006 Wage Statistics	
ST Hours Paid	42,845,117	2006 Wage Statistics	
2006 ST Hourly Rate	\$19.99396	2006 Wage Statistics	
2006 PFTNW HR	\$3.63495	2006 Wage Statistics	
Ratio PFTNW/STHR	0.1818023	calc. from wage statistics	
STHR 12/31/2006	\$19.99898	from YearEnd2006_final including COLAs on 1/1/06 and 7/1/06	
7/1/05 COL Wage Adj	\$0.11000	old 2001 Agreement, Article II, Part C	7/1/05 Full COLA Before Cost Sharing \$0.15000
1/1/06 COL Wage Adj	\$0.19000	NRLC Circular	1/1/06 Full COLA Before Cost Sharing \$0.31000
7/1/06 COL Wage Adj	\$0.01000	NRLC Circular	7/1/06 Full COLA Before Cost Sharing \$0.01000
1/1/07 COL Wage Adj	\$0.08000	NRLC Circular	1/1/07 Full COLA Before Cost Sharing \$0.15000
7/1/07 COL Wage Adj	\$0.05000	NRLC Circular	7/1/07 Full COLA Before Cost Sharing \$0.10000
7/1/05-7/1/07 COLAs out	\$0.44000	new contract, Article III Section 1 (7/1/05 & after COLAs removed)	
7/1/05 G.W.I.	2.50%	new contract, Article I Section 1	
7/1/06 G.W.I.	3.00%	new contract, Article I Section 2	
1/1/07 HR Adj.	\$0.47	new contract, Article I Section 6	
7/1/07 G.W.I.	3.00%	new contract, Article I Section 3	
1/1/07 H&W Offset	\$166.25	new contract, Article IV Part B Section 1(a) & (e)	

Qtr.	Total Hourly Rate In 2007 Contract		Total Hourly Rate Paid*		Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	ST	PFTNW		Back Pay \$	Back Pay \$		
2005Q1	19.6890	3.5795	23.2685	19.6890	3.5795	23.2685	0.00	0.00	0.00
2005Q2	19.6890	3.5795	23.2685	19.6890	3.5795	23.2685	0.00	0.00	0.00
2005Q3	20.1812	3.6690	23.8502	19.8390	3.6068	23.4457	0.4044	4,332,080.54	4,332,080.54
2005Q4	20.1812	3.6690	23.8502	19.8390	3.6068	23.4457	0.4044	4,332,080.54	4,332,080.54
2006Q1	20.1812	3.6690	23.8502	20.1490	3.6631	23.8121	0.0381	407,908.97	407,908.97
2006Q2	20.1812	3.6690	23.8502	20.1490	3.6631	23.8121	0.0381	407,909.97	407,909.97
2006Q3	20.7866	3.7791	24.5657	20.1590	3.6649	23.8239	0.7418	7,945,297.30	7,945,297.30
2006Q4	20.7866	3.7791	24.5657	20.1590	3.6649	23.8239	0.7418	7,945,297.30	7,945,297.30
2007Q1	21.2566	3.8645	25.1211	20.3090	3.6922	24.0012	1.1199	(\$8,409,337.2)	3,586,716.81
2007Q2	21.2566	3.8645	25.1211	20.3090	3.6922	24.0012	1.1199	(\$8,409,337.2)	3,586,716.81
2007Q3	21.8943	3.9804	25.8748	20.4090	3.7104	24.1194	1.7554	11,177,363.99	11,177,363.99
Total								43,721,373.22	43,721,373.22

H&W Employee Cost Sharing				No. of Employees		Difference		Quarterly Amount
From		Thru		2007Q1	2007Q2	2007Q3	2007Q4	
2007Q1	2007Q1	2007Q2	2007Q2	24,090	\$166.25	\$166.25	\$116.36	\$8,409,337.20
2007Q3	2007Q3	2007Q3	2007Q3	24,090	\$166.25	\$166.25	\$105.51	\$7,625,207.70

* Note Full COLAs and H&W ECS "Old" Rate are the amounts agreed to be used for back pay calculation in the new agreement.

Back Pay for National BRS Added to RCAF 2007Q4

National BRS New Contract Signed 7/1/07

ST Hours Paid 10,890,175 2006 Wage Statistics
 2006 ST Hourly Rate \$23 08881 2006 Wage Statistics
 2006 PFTNW HR \$5.03122 2006 Wage Statistics
 Ratio PFTNW/STHR 0.2179073 calc from wage statistics
 STHR 12/31/2006 \$23.08881 from YearEnd2006_final including COLA on 7/1/06
 7/1/05 COLA \$0.00000 old 1996 Agreement, Article II, Part C
 1/1/06 COLA \$0.00000 NRLC Circular
 7/1/06 COLA \$0.00000 NRLC Circular
 1/1/07 COLA \$0.00000 NRLC Circular
 7/1/07 COLA \$0.00000 NRLC Circular
 7/1/05 G.W.I. 2.50% new contract, Article I Section 1
 7/1/06 G.W.I. 3.00% new contract, Article I Section 2
 7/1/07 G.W.I. 3.00% new contract, Article I Section 3

7/1/05-9/30/07 H&W Offset \$100.00 NRLC Circular
 1/1/07 H&W ECS \$166.25 new contract, Article IV Part B Section 1(a) & (e)

Qtr.	Total Hourly Rate In 2007 Contract		Total Hourly Rate Paid		Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	ST	PFTNW		Back Pay \$	Back Pay \$		
2005Q1	23 0888	5 0312	28,1200	5 0312	0 0000	0 0	0 0		0 00
2005Q2	23 0888	5 0312	28 1200	5 0312	0 0000	0 0	0 0		0 00
2005Q3	23 6660	5 1570	28 8230	5 0312	0 7030	1,913,950 3	1,806,554 80	(\$107,395.5)	1,806,554 80
2005Q4	23 6660	5 1570	28 8230	5 0312	0 7030	1,913,950 3	1,806,554 80	(\$107,395.5)	1,806,554 80
2006Q1	23 6660	5 1570	28 8230	5 0312	0 7030	1,913,950 3	1,352,189 35	(\$561,760.9)	1,352,189 35
2006Q2	23 6660	5 1570	28 8230	5 0312	0 7030	1,913,950 3	1,352,189 35	(\$561,760.9)	1,352,189 35
2006Q3	24 3760	5 3117	29 6877	5 0312	1 5677	4,268,109 1	3,706,348 18	(\$561,760.9)	3,706,348 18
2006Q4	24 3760	5 3117	29 6877	5 0312	1 5677	4,268,109 1	3,706,348 18	(\$561,760.9)	3,706,348 18
2007Q1	24 3760	5 3117	29 6877	5 0312	1 5677	4,268,109 1	3,103,632 85	(\$1,164,476.3)	3,103,632 85
2007Q2	24 3760	5 3117	29 6877	5 0312	1 5677	4,268,109 1	3,103,632 85	(\$1,164,476.3)	3,103,632 85
2007Q3	25 1073	5 4711	30 5784	5 0312	2 4583	6,692,892 7	5,528,416 44	(\$1,164,476.3)	5,528,416 44
Total									25,465,866 80

2007Q4 25.1073

H&W Employee Cost Sharing			No. of Old Contract		New Contract		Quarterly	
From	Thru		Employees	Mo. Rate	Employees	Mo. Rate	Amount	Amount
2005Q3	2005Q4		5,859	\$100 00		\$106 11	\$107,395 47	\$107,395 47
2006Q1	2006Q4		5,859	\$100.00		\$131.96	\$561,760.92	\$561,760.92
2007Q1	2007Q3		5,859	\$100 00		\$166 25	\$1,164,476 25	\$1,164,476 25

Back Pay for National IBM Added to RCAF 2007Q4

National IBM New Contract Signed 7/1/07

ST Hours Paid	1,908,986	2006 Wage Statistics
2006 ST Hourly Rate	\$19.48408	2006 Wage Statistics
2006 PFTNW HR	\$2.91493	2006 Wage Statistics
Ratio PFTNW/STHR	0.1496058	calc. from wage statistics
STHR 12/31/2006	\$19.48908	from YearEnd2006_final including COLAs on 1/1/06 and 7/1/06
7/1/05 COLA	\$0.15000	old 1996 Agreement, Article II, Part C
1/1/06 COLA	\$0.31000	NRLC Circular
7/1/06 COLA	\$0.01000	NRLC Circular
1/1/07 COLA	\$0.15000	NRLC Circular
6/1/07 Rate Adjustment	\$0.34000	old 2004 contract, SECTION 5 - RATE ADJUSTMENT, not paid in 3Q 07
7/1/07 COLA	\$0.10000	NRLC Circular
7/1/05-7/1/07 COLAs out	\$0.72000	new contract, Article III Section 1 (7/1/05 & after COLAs removed)
7/1/05 G.W.I.	2.50%	new contract, Article I Section 1(a)
7/1/06 G.W.I.	3.00%	new contract, Article I Section 2
6/1/07 Rate Adj.	\$0.34000	new contract, Attachment A (old 2004 contract rate adjustment remained)
7/1/07 G.W.I.	3.00%	new contract, Article I Section 3

1/1/07 H&W Offset	\$137.65	NRLC Circular
7/1/07 H&W Offset	\$147.23	NRLC Circular
1/1/07 H&W Offset	\$166.25	new contract, Article IV Part B Section 1(a) & (e)

Qtr.	Total Hourly Rate in 2007 Contract		Total Hourly Rate Paid		Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	ST	PFTNW		Back Pay \$	Back Pay \$		
2005Q1	19.0191	2.8454	19.0191	2.8454	0.0000	0.0	0.00		
2005Q2	19.0191	2.8454	19.0191	2.8454	0.0000	0.0	0.00		
2005Q3	19.4946	2.9165	19.1691	2.8678	0.3742	178,571.4	178,571.42		
2005Q4	19.4946	2.9165	19.1691	2.8678	0.3742	178,571.4	178,571.42		
2006Q1	19.4946	2.9165	19.4791	2.9142	0.0178	8,491.4	8,491.36		
2006Q2	19.4946	2.9165	19.4791	2.9142	0.0178	8,491.4	8,491.36		
2006Q3	20.0794	3.0040	19.4891	2.9157	0.6786	323,872.8	323,872.82		
2006Q4	20.0794	3.0040	19.4891	2.9157	0.6786	323,872.8	323,872.82		
2007Q1	20.0794	3.0040	19.6391	2.9381	0.5062	241,576.0	151,400.22	(\$90,175.8)	
2007Q2	20.1927	3.0209	19.7524	2.9551	0.5062	241,576.0	151,400.22	(\$90,175.8)	
2007Q3	21.0320	3.1465	20.0791	3.0039	1.0955	522,801.6	462,831.56	(\$59,970.1)	
Total									1,787,503.22

2007Q4 21.0320

H&W Employee Cost Sharing				No. of Old Contract		New Contract		Quarterly	
From	Thru	Employees	Mo. Rate	Employees	Mo. Rate	Mo. Rate	Amount		
2007Q1	2007Q2	1,051	\$137.65			\$166.25	\$90,175.80		
2007Q3	2007Q3	1,051	\$147.23			\$166.25	\$59,970.06		

Back Pay for National NCFO Added to RCAF 2007Q4

National NCFO New Contract Signed 7/1/07

ST Hours Paid	4,230,876	2006 Wage Statistics
2006 ST Hourly Rate	\$17.72588	2006 Wage Statistics
2006 PFTNW HR	\$3.12063	2006 Wage Statistics
Ratio PFTNW/STHR	0.1760496	calc. from wage statistics
STHR 12/31/2006	\$17.73088	from YearEnd2006_final Including COLAs on 1/1/06 and 7/1/06
7/1/05 COLA	\$0.15000	old 1996 Agreement, Article II, Part C
1/1/06 COLA	\$0.31000	NRLC Circular
7/1/06 COLA	\$0.01000	NRLC Circular
1/1/07 COLA	\$0.15000	NRLC Circular
7/1/07 COLA	\$0.10000	NRLC Circular
7/1/05-7/1/07 COLAs out	\$0.72000	new contract, Article III Section 1 (7/1/05 & after COLAs removed)
7/1/05 G.W.I.	2.50%	new contract, Article I Section 1 (a)
7/1/06 G.W.I.	3.00%	new contract, Article I Section 2
7/1/07 G.W.I.	3.00%	new contract, Article I Section 3

1/1/07 H&W Offset	\$146.52	NRLC Circular
7/1/07 H&W Offset	\$156.22	NRLC Circular
1/1/07 H&W Offset	\$166.25	new contract, Article IV Part B Section 1(a) & (e)

Qtr.	Total Hourly Rate In 2007 Contract		Total Hourly Rate Paid		Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	ST	PFTNW		Back Pay \$	Mo. Rate		
2005Q1	17.2609	3.0388	20.2997	3.0388	0.0000	0.0			0.00
2005Q2	17.2609	3.0388	20.2997	3.0388	0.0000	0.0			0.00
2005Q3	17.6924	3.1147	20.8071	3.0652	0.3311	350,193.8			350,193.80
2005Q4	17.6924	3.1147	20.8071	3.0652	0.3311	350,193.8			350,193.80
2006Q1	17.6924	3.1147	20.8071	3.1198	-0.0335	-35,424.5			-35,424.49
2006Q2	17.6924	3.1147	20.8071	3.1198	-0.0335	-35,424.5			-35,424.49
2006Q3	18.2232	3.2082	21.4314	3.1215	0.5790	612,379.7			612,379.65
2006Q4	18.2232	3.2082	21.4314	3.1215	0.5790	612,379.7			612,379.65
2007Q1	18.2232	3.2082	21.4314	3.1479	0.4026	425,790.2		(\$142,292.8)	283,497.40
2007Q2	18.2232	3.2082	21.4314	3.1479	0.4026	425,790.2		(\$142,292.8)	283,497.40
2007Q3	18.7699	3.3044	22.0743	3.1655	0.9279	981,447.9		(\$72,336.4)	909,111.55
Total									3,330,404.27

2007Q4 18.7699

H&W Employee Cost Sharing			No. of Employees		Old Contract		New Contract		Quarterly Amount
From	Thru		2007Q1	2007Q2	Mo. Rate		Mo. Rate		
2007Q1	2007Q2		2,404		\$146.52		\$166.25		\$142,292.76
2007Q3	2007Q3		2,404		\$156.22		\$166.25		\$72,336.36

Back Pay for National SMW Added to RCAF 2007Q4

National SMW New Contract Signed 7/1/07

ST Hours Paid	1,877,382	2006 Wage Statistics
2006 ST Hourly Rate	\$21.64490	2006 Wage Statistics
2006 PFTNW HR	\$4.04524	2006 Wage Statistics
Ratio PFTNW/STHR	0.1868910	calc. from wage statistics
STHR 12/31/2006	\$21.64990	from YearEnd2006_final including COLAs on 1/1/06 and 7/1/06
7/1/05 COLA	\$0.15000	old 1996 Agreement, Article II, Part C
1/1/06 COLA	\$0.31000	NRLC Circular
7/1/06 COLA	\$0.01000	NRLC Circular
1/1/07 COLA	\$0.15000	NRLC Circular
7/1/07 COLA	\$0.10000	NRLC Circular
7/1/05-7/1/07 COLAs out	\$0.72000	new contract, Article III Section 1 (7/1/05 & after COLAs removed)
7/1/05 G.W.I.	2.50%	new contract, Article I Section 1(a)
7/1/06 G.W.I.	3.00%	new contract, Article I Section 2
7/1/07 G.W.I.	3.00%	new contract, Article I Section 3
1/1/07 H&W Offset	\$146.52	NRLC Circular
7/1/07 H&W Offset	\$156.23	NRLC Circular
1/1/07 H&W Offset	\$166.25	new contract, Article IV Part B Section 1(a) & (e)

Qtr.	Total Hourly Rate In 2007 Contract		Total Hourly Rate Paid		Difference	Wage		Offset \$	Net Back Pay \$
	ST	PFTNW	ST	PFTNW		Back Pay \$	Back Pay \$		
2005Q1	21.1799	3.9583	25.1382	21.1799	3.9583	25.1382	0.0000	0.00	0.00
2005Q2	21.1799	3.9583	25.1382	21.1799	3.9583	25.1382	0.0000	0.00	0.00
2005Q3	21.7094	4.0573	25.7667	21.3299	3.9864	25.3163	0.4504	211,403.67	211,403.67
2005Q4	21.7094	4.0573	25.7667	21.3299	3.9864	25.3163	0.4504	211,403.67	211,403.67
2006Q1	21.7094	4.0573	25.7667	21.6399	4.0443	25.6842	0.0825	38,714.47	38,714.47
2006Q2	21.7094	4.0573	25.7667	21.6399	4.0443	25.6842	0.0825	38,714.47	38,714.47
2006Q3	22.3607	4.1790	26.5397	21.6499	4.0462	25.6961	0.8436	395,948.30	395,948.30
2006Q4	22.3607	4.1790	26.5397	21.6499	4.0462	25.6961	0.8436	395,948.30	395,948.30
2007Q1	22.3607	4.1790	26.5397	21.7999	4.0742	25.8741	0.6656	(\$90,862.2)	221,526.81
2007Q2	22.3607	4.1790	26.5397	21.7999	4.0742	25.8741	0.6656	(\$90,862.2)	221,526.81
2007Q3	23.0315	4.3044	27.3359	21.8999	4.0929	25.9928	1.3431	(\$60,426.5)	569,944.85
Total									2,305,131.35

H&W Employee Cost Sharing				No. of		Old Contract		New Contract		Quarterly	
		From	Thru	Employees		Mo. Rate		Mo. Rate		Amount	
2007Q4		2007Q1	2007Q2	1,059		\$137.65		\$166.25		\$90,862.20	
		2007Q3	2007Q3	1,059		\$147.23		\$166.25		\$60,426.54	

Health and Welfare

	Employees Receiving		Monthly Contribution		Total	Total
	Pay 2006	2006 Avg	2007	2006 Avg	2007	
1 All Employees						
a Group health	175,772	\$1,001 02	\$1,097 66	\$175,951,287 44	\$192,937,893 52	
b Group dental	175,772	47.20	47 14	8,296,438 40	8,285,892 08	
c Early retirement major medical	175,772	87 86	89 06	15,443,327 92	15,654,254.32	
d Group vision	175,772	10.66	10 70	1,873,729 52	1,880,760 40	
2 Supplemental Sickness						
a Signalmon	6,185	32 00	32 06	197,920 00	198,291 10	
b Shopcrafts	25,599	61 00	61 06	1,561,539 00	1,563,074 94	
c MOW	26,027	36 00	36 06	936,972 00	938,533 62	
d Yardmasters	2,357	47 06	41 13	110,920 42	96,943 41	
3 Short-Term Disability						
a Engineers (CSX, KCS, UP)	16,107	40 00	40 00	644,280 00	644,280.00	
b Engineers (SOO, \$40 began 2Q 2006)	518	30 00	40 00	15,540.00	20,720 00	
4 Monthly Total Premiums				205,031,954 70	222,220,643 39	
5 Monthly Employee Contributions To H&W						
a National BLET (BNSF, CSX, KCS, NS, UP)	28,966	(\$127 64)	(\$166 25)	(\$3,697,220 24)	(\$4,815,597 50)	
b. National BMW (BNSF, CSX, KCS, NS, UP)	24,090	\$0 00	(\$166 25)	\$0 00	(4,004,962 50)	
c National BRS (BNSF, CSX, KCS, NS, UP)	5,859	(\$100 00)	(\$166 25)	(\$585,900.00)	(974,058.75)	
d National IAM (BNSF, CSX, KCS, NS, UP)	6,763	(\$106 62)	(\$132 57)	(\$721,071 06)	(896,570 91)	
e. National IBBM (BNSF, CSX, KCS, NS, UP)	1,051	(\$123 28)	(\$166 25)	(\$129,567 28)	(174,728 75)	
f National IBEW (BNSF, CSX, KCS, NS, UP)	4,929	(\$131 96)	(\$156 97)	(\$650,430 84)	(773,705 13)	
g National NCFO (BNSF, CSX, KCS, NS, UP)	2,404	(\$131 96)	(\$166 25)	(\$317,231 84)	(399,665 00)	
h National SMW (BNSF, CSX, KCS, NS, UP)	1,059	(\$131 96)	(\$166 25)	(\$139,745 64)	(176,058 75)	
i National TCU (BNSF, CSX, KCS, NS, UP)	8,383	(\$123 28)	(\$147 31)	(\$1,033,456 24)	(1,234,899.73)	
j National TCU-CAR (BNSF, CSX, KCS, NS, UP)	10,407	(\$123 28)	(\$147 73)	(\$1,282,974 96)	(1,537,426 11)	
k National UTU (BNSF, CSX, KCS, NS, UP)	44,297	(\$131 96)	(\$160 33)	(\$5,845,432 12)	(7,102,138 01)	
l National UTU-Yardmasters (BNSF, CSX, KCS, NS)	1,701	(\$131 96)	(\$156 13)	(\$224,463 96)	(265,577.13)	
m National ATDA (wt avg BNSF, KCS, NS, & CSX*)	1,791	(\$128 85)	(\$164 92)	(\$230,770 35)	(295,371 72)	
n Independent CNGT (wt avg all 104 union categories)	5,892	(\$54 08)	(\$72 77)	(\$318,639 36)	(428,760 84)	
o Independent SOO (weighted average all 13 unions)	2,567	(\$91 65)	(\$119 56)	(\$235,265 55)	(306,910 52)	
p Independent UP (Yardmasters only)	491	(\$123 28)	(\$147 31)	(\$60,530 48)	(72,329 21)	
Total Major Union	150,650			(\$15,472,699 92)	(\$23,458,760.56)	
All Other Employee Contributions**				(\$2,839,968 66)	(\$2,839,968.66)	
6 Net Employer Monthly Payments				\$186,719,286 12	\$195,921,914 17	
7 Ratio Projected Year to Base Year, Based on Net Monthly Payments					1 04929	
8 H&W hourly rate for base year				\$5 322		
9 H&W hourly rate for projected quarter					\$5.584	

* 70% of CSX Dispatchers participate in national agreement, remaining have independent agreement.

** Mostly non-union employee contributions The \$15,472,699 92 in major union contributions, plus \$2,839,968 66 in all other employee contributions, totals to the 12-month average of the total employee contributions reported to the AAR in its WF survey

Health and Welfare**Employer H&W Contribution**

		2006 Pd.		
Supplemental Sickness Plan:		Employees	East	West
a. Signalmen	BRS	6,185	2,744	3,441
b. Shopcrafts	Total	25,599	10,588	15,011
	IBEW	5,177	1,902	3,275
	IBBM	1,117	293	824
	TCU-Car	11,149	5,188	5,981
	IAM	7,073	2,642	4,431
	SMW	1,083	583	500
c. MOW	BMWED	26,027	9,790	16,237
d. Yardmasters	UTU-YMD	2,357	1,380	977

Short-Term Disability Contribution:

a. Engineers	Total BLET	16,107	5,999	10,108
	CSX	5,999		
	KCS	542		
	UP	9,566		
b. Engineers	SOO	518		

Sources/Notes:

Employee counts are from the 112-Class Wage Statistics. Monthly H&W premiums are from the NRLC, contracts, or the railroads. Projected quarter H&W Cost Sharing amounts are from the NRLC, union contracts, or pertinent railroads. Base year average monthly Cost Sharing amounts are from an AAR survey, NRLC, contracts, pertinent railroads. H&W hourly rate for base year benchmark is based on annual report and wage data. H&W rate for projected year is the benchmark figure updated by the ratio of projected year net payments to the base year. All Other employee contributions is the difference between total employee contributions for the base year and all known union amounts -- resulting in a non-union amount plus any adjustments caused by either opt-outs from union agreements or independent cost sharing agreements (if any) unknown to the AAR.

Health and Welfare

Employee H&W Cost Sharing

Group	Railroads	Contract Source
a. BLET	KCS, UP BNSF, CSX NS	Article IV Part B Section 1 (e) same as national Article IX Sections 2 & 3
b. BMWE	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
c. BRS	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
d. IAM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
e. IBBM	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
f. IBEW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1(i)
g. NCFO	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
h. SMW	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (e)
i. TCU	BNSF, CSX, KCS, NS, UP	Article III Part B Section 1 (i)
j. TCU-Carmen	BNSF, CSX, KCS, NS, UP	Article III Part B Section 1 (i)
k. UTU	BNSF, CSX, KCS, NS, UP	Article IV Part B Section 1 (g)
l. UTU-YMD	BNSF, KCS, NS CSX	Article IV Part B Section 1 (g) Side Letter #1
m. Indep. Dispatchers	BNSF CSX KCS NS	Article IV Part B Section 1(e) Article IV Part B Section 1(e) Article IV Part B Section 1(e) Article IV Part B Section 1(e)
n. Independent CN	all union categories incl. \$0 agmmts	
o. Independent SOO	all unions	Provided by Canadian Pacific Railway
p. Independent UP yardmasters		Article III Part B Section 1 (i)

NATIONAL RAILWAY LABOR CONFERENCE

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April 30, 2007

July 1, 2007 Health and Welfare Contributions

Under 2000 Round National Agreements

BLE, UTU, UTU-Yardmasters, BRS,

TCU-Clerks, TCU-Carmen, IAM, IBB, NCFO, IBEW, SMW

CIRCULAR NO. 504-101-11 (H&W)
CIRCULAR NO. 831-8-6 (BLE)
CIRCULAR NO. 832-10-7 (UTU, including YARDMASTERS)
CIRCULAR NO. 834-9-6 (TCU CLERKS)
CIRCULAR NO. 836-8-6 (BRS)
CIRCULAR NO. 837-9-6 (TCU CARMEN)
CIRCULAR NO. 838-9-6 (IBB)
CIRCULAR NO. 839-8-6 (NCFO)
CIRCULAR NO. 840-9-7 (IBEW)
CIRCULAR NO. 841-8-6 (IAM)
CIRCULAR NO. 842-9-6 (SMW)
CIRCULAR NO. 843-10-8 (UTU H&W)

TO MEMBER ROADS:

The 2000 Round National Agreements with the above-referenced organizations provide for employee cost-sharing contributions to be adjusted on July 1, 2007. The applicable National Agreement sections and the entire amount of the monthly contributions effective July 1, 2007 are as follows:

Organization	2000 Round National Agreement Reference	Monthly Contribution
BLET	Article IV, Part B, Sect. 1 (g)	\$159.27
UTU	Article IV, Part B, Sect. 1 (e) of the Nov. 6, 2003 Supplemental Agreement	\$160.33
UTU-Yardmasters	Article IV, Part B, Sect. 1 (e) of Document B of the Nov. 6, 2003 Supplemental Agreement	\$156.13
TCU Clerks	Article III, Part B, Sect. 1 (g)	\$147.31
TCU Carmen	Article III, Part B, Sect. 1 (g)	\$147.73
BRS	Article III, Part B, Sect. 1 (d)	\$100.00

Organization	2000 Round National Agreement Reference	Monthly Contribution
IAM	Article IV, Part B, Sect. 1 (e)	\$132.57
IBB	Article IV, Part B, Sect. 1 (d)	\$147.23
IBEW	Article IV, Part B, Sect. 1 (g)	\$156.97
NCFO	Article IV, Part B, Sect. 1 (g)	\$156.22
SMW	Article IV, Part B, Sect. 1 (g)	\$156.23

NOTES:

ATDA's agreements for the 2000 round that have an ATDA employee cost-sharing contribution provision substantively identical to any of the provisions referenced above should be applied to increase the current employee cost-sharing amount by \$9.13 effective July 1, 2007.

BMWE's July 1, 2007 COLA (NRLC Circular No. 835-14) reflects the contributions for employees represented by that organization.

BRS-represented employees are not subject to an increase in contributions after July 1, 2004, per Article III, Part B


H. Glen Williams, Jr.

For "07", see new agreements for rate.

Railroad Retirement and Medicare

Employees Receiving Pay	175,772	(2006 Benchmark, 2005 RRB Distribution)
Tier I Maximum	97,500	(Year = 2007)
Tier II Maximum	72,600	(Year = 2007)
Medicare Maximum	no limit	(Year = 2007)
Tier I Tax Rate	6.20%	(Year = 2007)
Tier II Tax Rate	12.10%	(Year = 2007)
Medicare Tax Rate	1.45%	(Year = 2007)

USA RCAF	Rate	Factor	RR Ret Tax	Hourly Rate
2005	\$28.884			
2006	\$29.465	1.02011	\$539,939,652	\$6.293
1Q/2007	\$29.542	1.02278	\$533,493,837	\$6.218
2Q/2007	\$29.557	1.02330	\$533,695,227	\$6.220
3Q/2007	\$29.655	1.02669	\$535,010,971	\$6.236
4Q/2007	\$30.476	1.05512	\$545,856,856	\$6.362

RR Ret Tax from RR_Retirement_06annual.xls, Hourly rate from SUPPL2006.xls

Rate = Taxable Rate

Railroad Retirement & Medicare, U S

10/2007

10/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2008	Avg Annual Earnings (2005 RRB Stats)	Estimated Avg Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emg
\$0 - 21699	0.423	744	\$9,150	\$9,358	\$2,340	\$2,340	\$2,340	\$2,340	\$1,739,537	\$1,739,537	\$1,739,537
21700 - 23699	0.188	330	\$22,323	22,832	5,708	5,708	5,708	5,708	1,886,178	1,886,178	1,886,178
23700 - 25699	0.094	165	\$24,829	25,395	6,349	6,349	6,349	6,349	1,048,961	1,048,961	1,048,961
25700 - 27699	0.329	578	\$26,682	27,290	6,822	6,822	6,822	6,822	3,945,359	3,945,359	3,945,359
27700 - 29699	0.235	413	\$28,513	29,163	7,291	7,291	7,291	7,291	3,011,501	3,011,501	3,011,501
29700 - 31699	0.611	1,074	\$30,717	31,417	7,854	7,854	7,854	7,854	8,435,139	8,435,139	8,435,139
31700 - 33699	0.611	1,074	\$32,717	33,462	8,366	8,366	8,366	8,366	8,984,356	8,984,356	8,984,356
33700 - 35699	0.517	909	\$34,794	35,587	8,897	8,897	8,897	8,897	8,084,761	8,084,761	8,084,761
35700 - 37699	1.175	2,065	\$36,804	37,745	9,436	9,436	9,436	9,436	19,488,731	19,488,731	19,488,731
37700 - 39699	1.598	2,809	\$38,752	39,635	9,909	9,909	9,909	9,909	27,831,919	27,831,919	27,831,919
39700 - 41699	2.303	4,048	\$40,698	41,625	10,406	10,406	10,406	10,406	42,124,937	42,124,937	42,124,937
41700 - 43699	4.417	7,764	\$42,853	43,829	10,957	10,957	10,957	10,957	85,070,873	85,070,873	85,070,873
43700 - 45699	5.310	9,333	\$44,823	45,840	11,410	11,410	11,410	11,410	106,494,100	106,494,100	106,494,100
45700 - 47699	4.981	8,755	\$46,625	47,687	11,922	11,922	11,922	11,922	104,377,682	104,377,682	104,377,682
47700 - 49699	6.156	10,821	\$48,637	49,745	12,436	12,436	12,436	12,436	134,566,715	134,566,715	134,566,715
49700 - 51699	4.981	8,755	\$50,733	51,889	12,972	12,972	12,972	12,972	113,574,111	113,574,111	113,574,111
51700 - 53699	3.994	7,020	\$52,581	53,758	13,440	13,440	13,440	13,440	94,350,442	94,350,442	94,350,442
53700 - 55699	4.323	7,599	\$54,689	55,914	13,979	13,979	13,979	13,979	106,218,124	106,218,124	106,218,124
55700 - 57699	4.370	7,681	\$56,770	58,063	14,516	14,516	14,516	14,516	111,499,416	111,499,416	111,499,416
57700 - 59699	3.900	6,855	\$58,651	59,987	14,997	14,997	14,997	14,997	102,804,539	102,804,539	102,804,539
59700 - 61699	3.759	6,607	\$60,754	62,138	15,535	15,535	15,535	15,535	102,640,666	102,640,666	102,640,666
61700 - 63699	3.571	6,277	\$62,878	64,108	16,028	16,028	16,028	16,028	100,595,196	100,595,196	100,595,196
63700 - 65699	3.242	5,699	\$64,735	66,210	16,552	16,552	16,552	16,552	94,324,481	94,324,481	94,324,481
65700 - 67699	3.947	6,938	\$66,847	68,165	17,041	17,041	17,041	17,041	118,227,904	118,227,904	118,227,904
67700 - 69699	3.242	5,699	\$68,593	70,158	17,539	17,539	17,539	17,539	99,945,920	99,945,920	99,945,920
69700 - 71699	2.444	4,286	\$70,607	72,215	18,054	18,054	18,054	18,054	77,557,039	77,557,039	77,557,039
71700 - 73699	2.867	5,039	\$72,584	74,238	18,559	18,559	18,559	18,559	93,527,829	93,527,829	93,527,829
73700 - 75699	1.786	3,139	\$74,708	76,410	19,102	19,102	19,102	19,102	59,988,174	59,988,174	59,988,174
75700 - 77699	1.692	2,974	\$76,856	78,402	19,601	19,601	19,601	19,601	58,283,318	58,283,318	58,283,318
77700 - 79699	1.645	2,991	\$78,699	80,492	20,123	20,123	20,123	20,123	58,184,509	58,184,509	58,184,509
79700 - 81699	2.021	3,552	\$80,724	82,563	20,641	20,641	20,641	20,641	73,323,173	73,323,173	73,323,173
81700 - 83699	2.350	4,131	\$82,637	84,520	21,130	21,130	21,130	21,130	87,278,985	87,278,985	87,278,985
83700 - 85699	1.289	2,231	\$84,715	86,645	21,661	21,661	21,661	21,661	48,316,359	48,316,359	48,316,359
85700 - 87699	1.786	3,139	\$86,827	88,600	22,150	22,150	22,150	22,150	66,978,076	66,978,076	66,978,076
87700 - 89699	1.081	1,900	\$88,504	90,520	22,630	22,630	22,630	22,630	34,486,730	34,486,730	34,486,730
89700 - 91699	1.457	2,561	\$90,575	92,638	23,160	23,160	23,160	23,160	59,311,670	59,311,670	59,311,670
91700 - 93699	1.457	2,561	\$92,723	94,835	23,709	23,709	23,709	23,709	60,718,256	60,718,256	60,718,256
93700 - 95699	0.893	1,570	\$94,871	97,032	24,258	24,258	24,258	24,258	38,076,515	38,076,515	38,076,515
95700 - over	8.975	15,776	\$132,020	135,028	24,375	24,375	24,375	33,757	384,528,714	286,325,997	532,532,903
TOTAL	100.00000	175,772	\$65,880					Total Taxable Tax Rate	2,812,891,903 0.062	2,612,805,340 0.121	2,980,896,091 0.0145

City Pmt \$174,399,298 \$316,161,546 \$42,932,893

Tier I & II & Medicare \$533,493,837

Railroad Retirement & Medicare, U. S. 2Q/2007

2Q/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2006	Avg Annual Earnings (2005 RRB Stats)	Estimated Avg. Annual Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emrgs	Tier II Tot Tax Emrg	Medicare Tot Tax Emrg
\$0 - 21699	0.423	744	\$9,150	\$9,363	\$2,341	\$2,341	\$2,341	\$2,341	\$1,740,420	\$1,740,420	\$1,740,420
21700 - 23699	0.188	330	\$22,323	22,843	5,711	5,711	5,711	5,711	1,887,136	1,887,136	1,887,136
23700 - 25699	0.094	165	\$24,829	25,408	6,352	6,352	6,352	6,352	1,049,494	1,049,494	1,049,494
25700 - 27699	0.329	578	\$26,692	27,304	6,826	6,826	6,826	6,826	3,947,362	3,947,362	3,947,362
27700 - 29699	0.235	413	\$28,513	29,177	7,294	7,294	7,294	7,294	3,013,030	3,013,030	3,013,030
29700 - 31699	0.611	1,074	\$30,717	31,433	7,858	7,858	7,858	7,858	8,439,422	8,439,422	8,439,422
31700 - 33699	0.611	1,074	\$32,717	33,479	8,370	8,370	8,370	8,370	8,988,918	8,988,918	8,988,918
33700 - 35699	0.517	909	\$34,784	35,605	8,901	8,901	8,901	8,901	8,088,866	8,088,866	8,088,866
35700 - 37699	1.175	2,065	\$36,904	37,764	9,441	9,441	9,441	9,441	19,498,627	19,498,627	19,498,627
37700 - 39699	1.598	2,809	\$38,752	39,655	9,914	9,914	9,914	9,914	27,846,051	27,846,051	27,846,051
39700 - 41699	2.303	4,048	\$40,698	41,646	10,412	10,412	10,412	10,412	42,146,326	42,146,326	42,146,326
41700 - 43699	4.417	7,764	\$42,853	43,851	10,963	10,963	10,963	10,963	85,114,068	85,114,068	85,114,068
43700 - 45699	5.310	9,333	\$44,623	45,663	11,416	11,416	11,416	11,416	106,548,172	106,548,172	106,548,172
45700 - 47699	4.981	8,755	\$46,625	47,711	11,928	11,928	11,928	11,928	104,430,680	104,430,680	104,430,680
47700 - 49699	6.156	10,821	\$48,637	49,770	12,443	12,443	12,443	12,443	134,635,042	134,635,042	134,635,042
49700 - 51699	4.981	8,755	\$50,733	51,915	12,979	12,979	12,979	12,979	113,631,779	113,631,779	113,631,779
51700 - 53699	3.994	7,020	\$52,561	53,786	13,446	13,446	13,446	13,446	94,398,349	94,398,349	94,398,349
53700 - 55699	4.323	7,599	\$54,669	55,943	13,986	13,986	13,986	13,986	106,272,056	106,272,056	106,272,056
55700 - 57699	4.370	7,681	\$56,770	58,083	14,523	14,523	14,523	14,523	111,556,030	111,556,030	111,556,030
57700 - 59699	3.900	6,855	\$58,651	60,018	15,004	15,004	15,004	15,004	102,856,738	102,856,738	102,856,738
59700 - 61699	3.759	6,807	\$60,764	62,170	15,542	15,542	15,542	15,542	102,692,782	102,692,782	102,692,782
61700 - 63699	3.571	6,277	\$62,678	64,138	16,035	16,035	16,035	16,035	100,646,273	100,646,273	100,646,273
63700 - 65699	3.242	5,899	\$64,735	66,243	16,561	16,561	16,561	16,561	94,372,374	94,372,374	94,372,374
65700 - 67699	3.947	6,936	\$66,647	68,200	17,050	17,050	17,050	17,050	118,287,935	118,287,935	118,287,935
67700 - 69699	3.242	5,899	\$68,593	70,191	17,548	17,548	17,548	17,548	99,996,667	99,996,667	99,996,667
69700 - 71699	2.444	4,286	\$70,607	72,252	18,063	18,063	18,063	18,063	77,596,419	77,596,419	77,596,419
71700 - 73699	2.867	5,039	\$72,584	74,275	18,569	18,569	18,569	18,569	93,575,317	93,575,317	93,575,317
73700 - 75699	1.786	3,139	\$74,708	76,449	19,112	19,112	19,112	19,112	59,996,623	59,996,623	59,996,623
75700 - 77699	1.682	2,974	\$76,656	78,442	19,611	19,611	19,611	19,611	53,979,230	53,979,230	53,979,230
77700 - 79699	1.645	2,891	\$78,689	80,533	20,133	20,133	20,133	20,133	58,214,053	58,214,053	58,214,053
79700 - 81699	2.021	3,552	\$80,724	82,605	20,651	20,651	20,651	20,651	73,360,403	73,360,403	73,360,403
81700 - 83699	2.350	4,131	\$82,637	84,562	21,141	21,141	21,141	21,141	87,324,302	87,324,302	87,324,302
83700 - 85699	1.269	2,231	\$84,715	86,689	21,672	21,672	21,672	21,672	40,484,422	40,484,422	40,484,422
85700 - 87699	1.786	3,139	\$86,627	88,645	22,161	22,161	22,161	22,161	56,978,076	56,978,076	56,978,076
87700 - 89699	1.081	1,900	\$88,504	90,568	22,642	22,642	22,642	22,642	34,486,730	34,486,730	34,486,730
89700 - 91699	1.457	2,561	\$90,575	92,685	23,171	23,171	23,171	23,171	46,482,114	46,482,114	46,482,114
91700 - 93699	1.457	2,561	\$92,723	94,863	23,721	23,721	23,721	23,721	60,749,085	60,749,085	60,749,085
93700 - 95699	0.893	1,570	\$94,871	97,082	24,270	24,270	24,270	24,270	38,066,849	38,066,849	38,066,849
95700 - over	8.975	15,776	\$132,020	135,066	33,774	33,774	33,774	33,774	286,325,997	286,325,997	286,325,997
TOTAL	100.000	175,772							2,814,124,908	2,814,124,908	2,814,124,908
									0.062	0.121	0.0145

Qtrly Pmt	\$174,475,744	\$316,264,680	\$42,954,783
Tier I & II & Medicare			\$533,695,227

Railroad Retirement & Medicare, U S 3Q/2007

3Q/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2006 (2005 RRB Stats)	Avg Annual Earnings	Estimated Avg Annual Earnings	Avg Qly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Eings	Tier II Tot Tax Eings	Medicare Tot Tax Emsg
\$0 - 21699	0.423	744	\$9,150	\$9,394	\$2,349	\$2,349	\$2,349	\$2,349	\$1,746,191	\$1,746,191	\$1,746,191
21700 - 23699	0.188	330	\$22,323	22,919	5,730	5,730	5,730	5,730	1,893,393	1,893,393	1,893,393
23700 - 25699	0.094	165	\$24,829	25,492	6,373	6,373	6,373	6,373	1,052,973	1,052,973	1,052,973
25700 - 27699	0.329	578	\$26,892	27,394	6,849	6,849	6,849	6,849	3,960,450	3,960,450	3,960,450
27700 - 29699	0.235	413	\$28,513	29,274	7,319	7,319	7,319	7,319	3,023,020	3,023,020	3,023,020
29700 - 31699	0.611	1,074	\$30,717	31,537	7,884	7,884	7,884	7,884	8,467,404	8,467,404	8,467,404
31700 - 33699	0.611	1,074	\$32,717	33,590	8,398	8,398	8,398	8,398	9,018,722	9,018,722	9,018,722
33700 - 35699	0.517	909	\$34,794	35,723	8,931	8,931	8,931	8,931	8,115,685	8,115,685	8,115,685
35700 - 37699	1.175	2,065	\$36,904	37,889	9,472	9,472	9,472	9,472	19,563,277	19,563,277	19,563,277
37700 - 39699	1.598	2,809	\$38,752	39,786	9,947	9,947	9,947	9,947	27,938,378	27,938,378	27,938,378
39700 - 41699	2.303	4,048	\$40,898	41,784	10,446	10,446	10,446	10,446	42,286,088	42,286,088	42,286,088
41700 - 43699	4.417	7,764	\$42,893	43,987	10,999	10,999	10,999	10,999	85,396,275	85,396,275	85,396,275
43700 - 45699	5.310	9,333	\$44,823	45,814	11,454	11,454	11,454	11,454	106,901,446	106,901,446	106,901,446
45700 - 47699	4.981	8,755	\$46,825	47,870	11,967	11,967	11,967	11,967	104,776,933	104,776,933	104,776,933
47700 - 49699	6.156	10,821	\$48,737	49,935	12,484	12,484	12,484	12,484	135,081,441	135,081,441	135,081,441
49700 - 51699	4.981	8,755	\$50,733	52,087	13,022	13,022	13,022	13,022	114,008,539	114,008,539	114,008,539
51700 - 53699	3.994	7,020	\$52,561	53,984	13,491	13,491	13,491	13,491	94,711,339	94,711,339	94,711,339
53700 - 55699	4.323	7,599	\$54,699	56,128	14,032	14,032	14,032	14,032	106,624,415	106,624,415	106,624,415
55700 - 57699	4.370	7,681	\$56,770	58,285	14,571	14,571	14,571	14,571	111,925,908	111,925,908	111,925,908
57700 - 59699	3.900	6,855	\$58,651	60,217	15,054	15,054	15,054	15,054	103,197,773	103,197,773	103,197,773
59700 - 61699	3.759	6,607	\$60,754	62,376	15,594	15,594	15,594	15,594	103,033,273	103,033,273	103,033,273
61700 - 63699	3.571	6,277	\$62,678	64,351	16,088	16,088	16,088	16,088	100,979,979	100,979,979	100,979,979
63700 - 65699	3.242	5,699	\$64,735	66,463	16,616	16,616	16,616	16,616	94,685,278	94,685,278	94,685,278
65700 - 67699	3.947	6,938	\$66,647	68,426	17,107	17,107	17,107	17,107	118,680,134	118,680,134	118,680,134
67700 - 69699	3.242	5,699	\$68,593	70,424	17,606	17,606	17,606	17,606	100,328,219	100,328,219	100,328,219
69700 - 71699	2.444	4,296	\$70,607	72,492	18,123	18,123	18,123	18,123	77,853,700	77,853,700	77,853,700
71700 - 73699	2.867	5,039	\$72,594	74,521	18,630	18,630	18,630	18,630	93,885,578	93,885,578	93,885,578
73700 - 75699	1.786	3,139	\$74,708	76,702	19,178	19,178	19,178	19,178	56,978,078	56,978,078	56,978,078
75700 - 77699	1.692	2,974	\$76,656	78,702	19,676	19,676	19,676	19,676	58,516,293	58,516,293	58,516,293
77700 - 79699	1.645	2,891	\$78,699	80,800	20,200	20,200	20,200	20,200	58,407,069	58,407,069	58,407,069
79700 - 81699	2.021	3,552	\$80,724	82,879	20,720	20,720	20,720	20,720	73,603,638	73,603,638	73,603,638
81700 - 83699	2.350	4,131	\$82,637	84,843	21,211	21,211	21,211	21,211	87,613,837	87,613,837	87,613,837
83700 - 85699	1.269	2,231	\$84,715	86,978	21,744	21,744	21,744	21,744	48,501,172	48,501,172	48,501,172
85700 - 87699	1.786	3,139	\$86,627	88,939	22,235	22,235	22,235	22,235	56,978,078	56,978,078	56,978,078
87700 - 89699	1.081	1,900	\$88,504	90,866	22,717	22,717	22,717	22,717	34,486,730	34,486,730	34,486,730
89700 - 91699	1.457	2,561	\$90,575	92,993	23,248	23,248	23,248	23,248	48,482,114	48,482,114	48,482,114
91700 - 93699	1.457	2,561	\$92,723	95,198	23,800	23,800	23,800	23,800	60,950,507	60,950,507	60,950,507
93700 - 95699	0.893	1,570	\$94,871	97,403	24,351	24,351	24,351	24,351	38,222,161	38,222,161	38,222,161
95700 - over	8.975	15,776	\$132,020	135,544	33,886	24,375	18,150	33,886	384,528,714	286,325,997	534,569,876
TOTAL	100.000	175,772						Total Taxable Tax Rate	2,822,180,544 0.062	2,819,326,985 0.121	2,972,221,704 0.0145

City Pmt \$174,975,194 \$316,938,563 \$43,097,215
Tier I & II & Medicare \$535,010,971

Railroad Retirement & Medicare, U. S.

4Q/2007

4Q/2007

Annual Earnings Groups	Percent of Total Employees	Employees Receiving Pay 2006	Avg Annual Earnings (2005 RRB Stats)	Estimated Avg Annual Earnings	Avg City Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emgs	Medicare Tot Tax Emgs
\$0 - 4999	0.423	744	\$9,150	\$9,854	\$2,414	\$2,414	\$2,414	\$2,414	\$1,794,534	\$1,794,534	\$1,794,534
5000 - 9999	0.188	330	\$22,323	23,553	5,888	5,888	5,888	5,888	1,945,811	1,945,811	1,945,811
10000 - 12499	0.094	165	\$24,829	26,188	6,549	6,549	6,549	6,549	1,082,125	1,082,125	1,082,125
12500 - 14999	0.329	578	\$26,882	28,153	7,038	7,038	7,038	7,038	4,070,096	4,070,096	4,070,096
15000 - 17499	0.235	413	\$28,513	30,085	7,521	7,521	7,521	7,521	3,106,713	3,106,713	3,106,713
17500 - 19999	0.611	1,074	\$30,717	32,410	8,103	8,103	8,103	8,103	8,701,825	8,701,825	8,701,825
20000 - 22499	0.611	1,074	\$32,717	34,520	8,630	8,630	8,630	8,630	9,268,405	9,268,405	9,268,405
22500 - 24999	0.517	909	\$34,794	36,712	9,178	9,178	9,178	9,178	8,340,368	8,340,368	8,340,368
25000 - 27499	1.175	2,065	\$36,804	38,938	9,735	9,735	9,735	9,735	20,104,887	20,104,887	20,104,887
27500 - 29999	1.598	2,809	\$38,752	40,898	10,222	10,222	10,222	10,222	28,711,853	28,711,853	28,711,853
30000 - 32499	2.303	4,048	\$40,688	42,841	10,735	10,735	10,735	10,735	43,456,759	43,456,759	43,456,759
32500 - 34999	4.417	7,764	\$42,853	45,215	11,304	11,304	11,304	11,304	87,760,474	87,760,474	87,760,474
35000 - 37499	5.310	9,333	\$44,623	47,082	11,771	11,771	11,771	11,771	109,861,018	109,861,018	109,861,018
37500 - 39999	4.981	8,755	\$46,625	49,195	12,298	12,298	12,298	12,298	107,677,687	107,677,687	107,677,687
40000 - 42499	6.156	10,821	\$48,637	51,318	12,829	12,829	12,829	12,829	138,821,177	138,821,177	138,821,177
42500 - 44999	4.981	8,755	\$50,733	53,528	13,382	13,382	13,382	13,382	117,164,871	117,164,871	117,164,871
45000 - 47499	3.964	7,020	\$52,561	55,458	13,865	13,865	13,865	13,865	97,333,426	97,333,426	97,333,426
47500 - 49999	4.323	7,599	\$54,669	57,882	14,421	14,421	14,421	14,421	109,576,316	109,576,316	109,576,316
50000 - 52499	4.370	7,681	\$56,770	59,898	14,975	14,975	14,975	14,975	115,024,582	115,024,582	115,024,582
52500 - 54999	3.900	6,855	\$58,651	61,894	15,471	15,471	15,471	15,471	106,054,807	106,054,807	106,054,807
55000 - 57499	3.759	6,607	\$60,754	64,103	16,026	16,026	16,026	16,026	105,885,754	105,885,754	105,885,754
57500 - 59999	3.571	6,277	\$62,678	66,133	16,533	16,533	16,533	16,533	103,775,614	103,775,614	103,775,614
60000 - 62499	3.242	5,699	\$64,735	68,303	17,076	17,076	17,076	17,076	97,306,644	97,306,644	97,306,644
62500 - 64999	3.947	6,838	\$66,847	70,320	17,580	17,580	17,580	17,580	121,965,798	121,965,798	121,965,798
65000 - 67499	3.242	5,699	\$68,593	72,374	18,093	18,093	18,093	18,093	103,105,810	103,105,810	103,105,810
67500 - 69999	2.444	4,286	\$70,607	74,499	18,625	18,625	18,625	18,625	80,009,083	80,009,083	80,009,083
70000 - 72499	2.967	5,039	\$72,594	76,585	19,146	19,146	19,146	19,146	96,484,805	96,484,805	96,484,805
72500 - 74999	1.788	3,139	\$74,708	78,826	19,708	19,708	19,708	19,708	61,864,128	61,864,128	61,864,128
75000 - 77499	1.682	2,974	\$76,656	80,881	20,220	20,220	20,220	20,220	60,136,319	60,136,319	60,136,319
77500 - 79999	1.645	2,891	\$78,699	83,037	20,759	20,759	20,759	20,759	60,024,071	60,024,071	60,024,071
80000 - 84999	2.021	3,552	\$80,724	85,173	21,283	21,283	21,283	21,283	75,841,358	75,841,358	75,841,358
85000 - 89999	2.350	4,131	\$82,637	87,192	21,798	21,798	21,798	21,798	90,039,430	90,039,430	90,039,430
90000 - 94999	1.269	2,231	\$84,715	89,394	22,346	22,346	22,346	22,346	49,843,929	49,843,929	49,843,929
95000 - 99999	1.788	3,139	\$86,627	91,402	22,850	22,850	22,850	22,850	71,734,002	71,734,002	71,734,002
100000 - 104999	1.081	1,900	\$88,504	93,382	23,346	23,346	23,346	23,346	44,358,712	44,358,712	44,358,712
105000 - 109999	1.457	2,581	\$90,575	95,567	23,892	23,892	23,892	23,892	34,486,076	34,486,076	34,486,076
110000 - 114999	1.457	2,581	\$92,723	97,834	24,458	24,458	24,458	24,458	46,482,114	46,482,114	46,482,114
115000 - 119999	0.893	1,570	\$94,871	100,100	25,025	25,025	25,025	25,025	38,645,761	38,645,761	38,645,761
120000 - 124999	8.975	15,776	\$132,020	139,297	34,824	34,824	34,824	34,824	286,325,997	286,325,997	286,325,997
TOTAL	100.000	175,772							2,889,032,462	2,889,032,462	2,889,032,462
									0.062	0.121	0.0145

Total Taxable
Tax Rate
City Pmt
Tier I & II & Medicare

RCAF Unemployment Insurance Tax

	<u>Unemployment Ins.</u>			RRB	Factor	Avg. Ann.	Un. Ins.
	<u>Tax</u>	<u>Earnings</u>	Hourly	Sample	To Update	<u>Taxable</u>	<u>Hourly</u>
	<u>Rate</u>	<u>Base</u>	<u>Earnings</u>	<u>Year</u>	<u>RRB Sample</u>	<u>Earnings</u>	<u>Rate</u>
			\$27.258	(2002)			
2003 Avg.	4.61%	\$13,440	\$27.952		1.025460	\$12,566.01	\$0.322
4Q/04	2.88%	\$13,560	\$28.834		1.057818	\$12,688.80	\$0.203
1Q/05	2.28%	\$13,800	\$29.332		1.076088	\$12,913.18	\$0.164
2Q/05	2.28%	\$13,800	\$29.115		1.068127	\$12,909.59	\$0.164
3Q/05	2.28%	\$13,800	\$29.408		1.078876	\$12,914.43	\$0.164
			\$27.952	(2003)			
2004 Avg.	2.88%	\$13,560	\$28.151		1.007119	\$12,797.12	\$0.197
4Q/05	2.29%	\$13,800	\$29.157		1.043110	\$13,030.55	\$0.159
1Q/06	2.36%	\$14,340	\$29.277		1.047403	\$13,526.36	\$0.170
2Q/06	2.36%	\$14,340	\$29.255		1.046616	\$13,526.05	\$0.170
3Q/06	2.36%	\$14,340	\$29.302		1.048297	\$13,526.71	\$0.170
			\$28.151	(2004)			
2005 Avg.	2.29%	\$13,800	\$28.884		1.026038	\$12,810.75	\$0.162
4Q/06	2.36%	\$14,340	\$29.136		1.034990	\$13,295.94	\$0.173
1Q/07	2.47%	\$14,760	\$29.220		1.037974	\$13,670.56	\$0.186
2Q/07	2.47%	\$14,760	\$29.238		1.038613	\$13,670.92	\$0.186
3Q/07	2.47%	\$14,760	\$29.336		1.042094	\$13,672.83	\$0.186
			\$28.884	(2005)			
2006 Avg.	2.36%	\$14,340	\$29.465		1.020115	\$13,053.43	\$0.173
3Q/07 reb.	2.47%	\$14,760	\$29.655		1.026693	\$13,422.16	\$0.186
4Q/07	2.47%	\$14,760	\$30.476		1.055117	\$13,438.69	\$0.186
1Q/08					0.000000		---
2Q/08					0.000000		---
3Q/08					0.000000		---

Note: Average Annual Taxable Earnings is calculated from the RRB 1% sample data, by multiplying the average annual earnings in the file times the "Factor", and limiting the amount to the earnings base. Thus, the annual hourly earnings used for the calculation of the Factor is for the RRB sample year, and the Factor brings the earnings in the RRB 1% sample file to the current quarter's level.

2005 rate changes from 2.28% to 2.29% because rebenchmarking to 2004 (and later) wage statistics and annual report data adds BL&E and DMIR to the railroad group.

The SAS System 09:11 Wednesday, September 5, 2007
TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2005 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2850	37202270.07	13053.43
QTRLY_US	2850	38300255.96	13438.69

The SAS System 09:11 Wednesday, September 5, 2007
Factors and Caps 2006 and 2007Q4

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2850	2907.33	1.0201150
FactorQ	2850	3007.08	1.0551170
Capa	2850	40869000.00	14340.00
Capq	2850	42066000.00	14760.00

The SAS System 09:16 Wednesday, September 5, 2007
TOTAL GROSS EARNINGS AND AVERAGE GROSS EARNINGS-2005 RRB File

The MEANS Procedure

Variable	N	Sum	Mean
ANUAL_US	2850	37202270.07	13053.43
QTRLY_US	2850	38253145.83	13422.16

The SAS System 09:16 Wednesday, September 5, 2007
Factors and Caps 2006 and 2007Q3 Restated

The MEANS Procedure

Variable	N	Sum	Mean
FactorA	2850	2907.33	1.0201150
FactorQ	2850	2926.08	1.0266930
Capa	2850	40869000.00	14340.00
Capq	2850	42066000.00	14760.00


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Oil hits \$75 as hurricane fears brew

REUTERS

By Matthew Robinson

6 minutes ago

Oil prices jumped above \$75 a barrel on Tuesday after a top U.S. hurricane forecaster called for a busy end to the Atlantic storm season, raising concerns over potential disruptions to oil and gas production.

U S crude settled up \$1.04 at \$75.08 per barrel, after trading as high as \$75.25. London Brent crude rose 51 cents to \$73.92 a barrel.

Hurricane Felix slammed into Central America on Tuesday, spanning oil and gas installations in the Gulf of Mexico. But forecasters at Colorado State University said the rest of the 2007 Atlantic hurricane season would be busy, with a total of 15 named storms.

The U.S. and Mexican oil sectors have escaped major storm damage so far this year, but markets have remained on edge after hurricanes knocked out refining and offshore production facilities in 2005.

Oil prices, which were closing in on the U.S. record high of \$78.77 struck on August 1, also drew support from comments from some OPEC members that the producer group is likely to keep output levels unchanged when it meets on September 11.

"While the threat posed by Felix has receded, with the hurricane set to pass south of oil production facilities in the Gulf of Mexico, concerns over OPEC's behavior persist and are likely to intensify ahead of OPEC's gathering next Tuesday," Barclays Capital said in a report.

But a source within the Organization of Petroleum Exporting Countries said on Tuesday the cartel could boost output by up to 1 million barrels per day later this year – when some analysts forecast supply could have trouble keeping up with demand.

"If things stay as they are, I believe, we need to increase by 500,000 barrels per day to 1 million bpd," said the source, who declined to be identified by name.

"Perhaps in December, depending on the stocks."

OPEC kept output flat in August, according to a Reuters survey. The group agreed last year to cut output by 1.7 million bpd.

The only member suggesting the possibility of an imminent supply boost was Indonesia, OPEC's second smallest producer.

"If current high prices are due to inadequate supply, then we will propose current production level increase," Indonesia's OPEC governor Maizar Rahman told Reuters on Tuesday.

A Reuters poll of analysts forecast that U.S. oil inventory data to be released by the government on Thursday would show crude stocks down 400,000 barrels, distillate stocks up 1 million barrels and gasoline stocks off 1.5 million barrels.

(Additional reporting by Peg Mackey and Alex Lawler in London; Neil Chatterjee in Singapore)

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This Week In Petroleum

[Complete History_XLS](#)
[PADD_Definitions](#)
Summary
 Prices

Crude Oil
 Stocks

Gasoline
 Production

Distillate
 Imports

Propane
 Demand

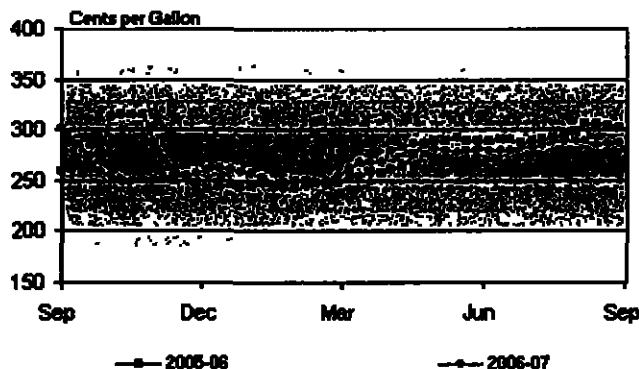
On-Highway Diesel Fuel Prices (Cents per Gallon)

Average All-Types Diesel Fuel Prices								more data
	Most Recent							Year Ago
	07/16/07	07/23/07	07/30/07	08/06/07	08/13/07	08/20/07	08/27/07	08/28/06
U.S.	288.9	288.9	288.6	289.8	284.7	286.8	286.3	302.7
East Coast (PADD I)	287.4	286.0	284.7	286.6	282.0	284.2	283.4	295.5
New England (PADD IA)	295.9	295.0	294.6	295.5	292.3	291.5	290.6	303.5
Central Atlantic (PADD IB)	294.9	294.5	292.3	294.5	290.1	290.5	289.8	307.4
Lower Atlantic (PADD IC)	283.4	281.5	280.6	282.5	277.6	280.8	280.0	289.7
Midwest (PADD II)	287.8	288.2	288.5	288.7	283.5	286.4	287.0	302.6
Gulf Coast (PADD III)	282.1	281.5	280.8	282.4	277.1	280.7	280.8	292.3
Rocky Mountain (PADD IV)	297.7	298.8	300.3	301.2	298.0	297.7	294.7	334.6
West Coast (PADD V)	303.1	306.1	305.8	307.7	301.9	299.6	296.5	322.9
California	314.7	315.8	315.2	314.0	305.4	301.6	298.6	320.0

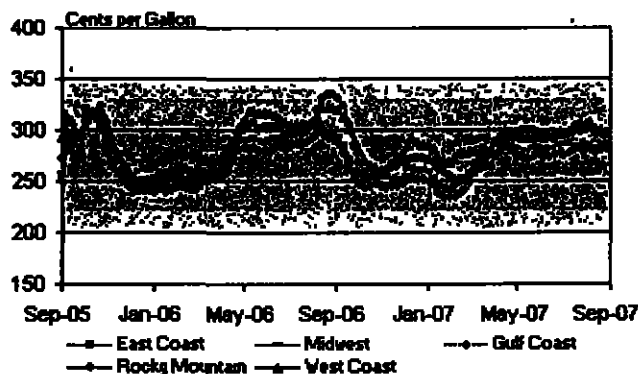
Ultra Low Sulfur Diesel Fuel Prices								more data
	Most Recent							Year Ago
	07/16/07	07/23/07	07/30/07	08/06/07	08/13/07	08/20/07	08/27/07	08/28/06
U.S.	290.2	290.3	289.9	291.0	286.1	287.8	287.3	NA
East Coast (PADD I)	288.8	287.7	286.2	287.8	283.4	285.1	284.4	NA
New England (PADD IA)	295.9	295.0	294.6	295.5	292.3	291.5	290.6	NA
Central Atlantic (PADD IB)	294.5	294.1	291.9	294.1	289.8	289.9	289.5	NA
Lower Atlantic (PADD IC)	284.6	283.0	281.7	283.1	278.5	281.4	280.6	NA
Midwest (PADD II)	289.6	289.9	290.2	290.4	285.5	287.8	288.5	NA
Gulf Coast (PADD III)	282.5	281.9	281.1	282.8	277.3	281.0	281.0	NA
Rocky Mountain (PADD IV)	298.3	299.4	300.9	301.8	298.9	298.4	295.4	NA
West Coast (PADD V)	304.2	307.3	306.6	308.3	302.3	300.1	297.3	NA
California	314.7	315.8	315.2	314.0	305.4	301.6	298.6	NA

Low Sulfur Diesel Fuel Prices								more data
	Most Recent							Year Ago
	07/16/07	07/23/07	07/30/07	08/06/07	08/13/07	08/20/07	08/27/07	08/28/06
U.S.	283.4	282.9	283.1	284.6	279.0	282.6	282.1	NA

U.S. Average All-Types Diesel Fuel Prices



Regional Average All-Types Diesel Fuel Prices



No. 2 Distillate Spot Prices (Cents per Gallon)

Spot Heating Oil Prices								more data
	Most Recent							Year Ago
City	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
New York	210.3	208.7	206.7	201.1	196.3	199.8	198.5	199.3
Houston	207.1	204.8	204.7	198.7	193.6	198.6	197.3	202.2

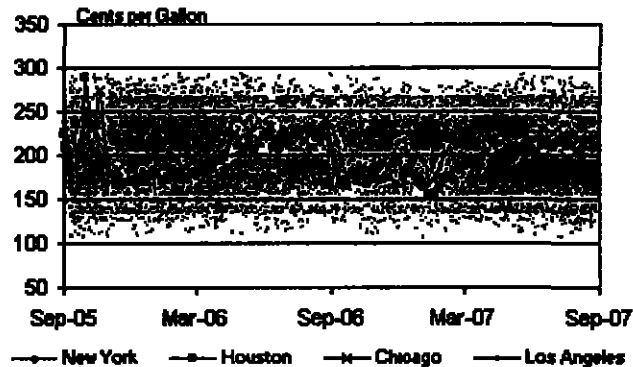
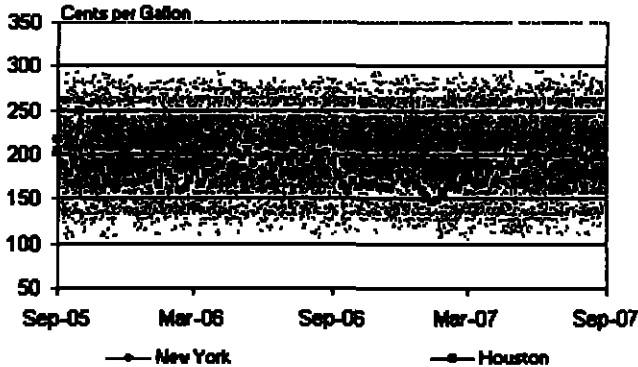
Spot Diesel Fuel Prices

more data

City	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
New York	215.8	213.1	210.8	207.9	202.4	206.3	205.7	222.3
Chicago	224.0	222.2	222.0	217.4	213.1	220.0	220.7	240.3
Houston	215.1	211.1	211.3	205.2	199.9	217.6	209.2	222.1
Los Angeles (CARB)	237.8	236.6	227.4	219.9	214.4	218.1	214.3	233.3

Spot Heating Oil Prices

Spot Diesel Fuel Prices



Distillate Stocks (Million Barrels) and Days of Supply

Total Distillate Stocks

more data

	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	122.2	123.7	126.5	127.5	127.7	129.0	129.9	136.8
East Coast (PADD I)	46.1	47.7	48.1	50.1	52.0	51.8	53.6	61.6
New England (PADD IA)	7.7	8.2	8.4	9.0	9.5	10.4	10.8	12.4
Central Atlantic (PADD IB)	25.6	26.4	26.4	27.3	28.9	29.7	30.9	37.4
Lower Atlantic (PADD IC)	12.9	13.2	13.3	13.8	13.6	11.6	11.9	11.8
Midwest (PADD II)	28.7	27.1	28.2	27.9	27.5	27.9	27.5	25.5
Gulf Coast (PADD III)	33.0	34.3	36.1	34.5	33.5	34.4	33.6	35.4
Rocky Mountain (PADD IV)	3.1	3.1	2.9	3.1	3.0	3.1	2.8	2.7
West Coast (PADD V)	11.3	11.6	11.3	11.8	11.7	11.9	12.5	11.7

15 ppm sulfur and Under Stocks

more data

	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	67.6	66.0	66.7	64.5	64.6	65.5	66.4	39.6
East Coast (PADD I)	16.7	16.1	15.9	14.9	15.3	14.7	14.8	6.9
New England (PADD IA)	1.9	2.1	1.8	1.9	1.9	2.0	2.4	1.4
Central Atlantic (PADD IB)	8.2	7.6	7.6	7.4	7.2	7.3	7.2	3.6
Lower Atlantic (PADD IC)	6.6	6.4	6.4	5.6	6.1	5.3	5.2	1.9
Midwest (PADD II)	20.9	19.5	20.5	20.0	19.3	19.7	20.1	10.7
Gulf Coast (PADD III)	18.9	19.0	19.6	18.5	18.8	19.4	19.6	12.8
Rocky Mountain (PADD IV)	2.5	2.5	2.3	2.4	2.4	2.4	2.2	1.7
West Coast (PADD V)	8.6	8.8	8.4	8.7	8.9	9.3	9.7	7.4

Greater than 15 ppm to 500 ppm sulfur Stocks

more data

	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	23.1	23.2	24.4	25.7	24.8	24.7	24.1	38.4
East Coast (PADD I)	7.3	7.3	7.3	8.8	8.8	8.6	8.9	12.1
New England (PADD IA)	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6
Central Atlantic (PADD IB)	3.5	3.5	3.5	3.9	4.6	5.0	4.6	6.6
Lower Atlantic (PADD IC)	3.3	3.3	3.3	4.3	3.6	3.1	3.7	4.9
Midwest (PADD II)	5.2	4.8	5.0	5.3	5.5	5.2	5.0	10.5
Gulf Coast (PADD III)	8.7	9.3	10.3	9.7	8.7	9.2	8.2	13.3
Rocky Mountain (PADD IV)	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.6
West Coast (PADD V)	1.6	1.6	1.4	1.5	1.4	1.3	1.6	1.9

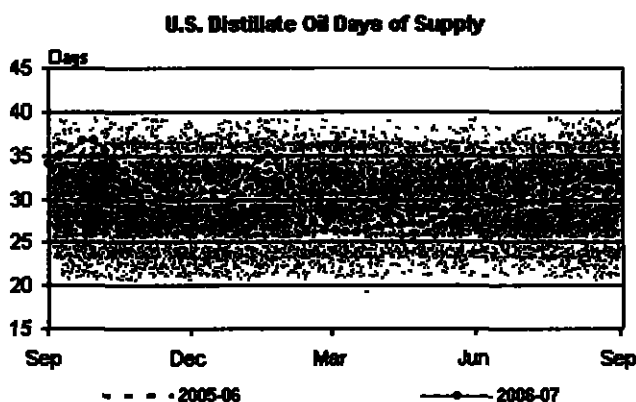
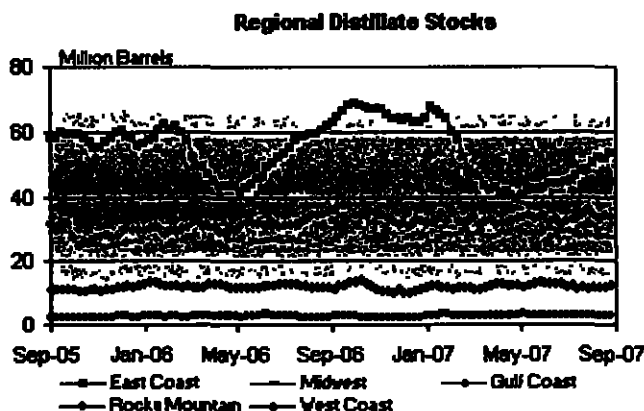
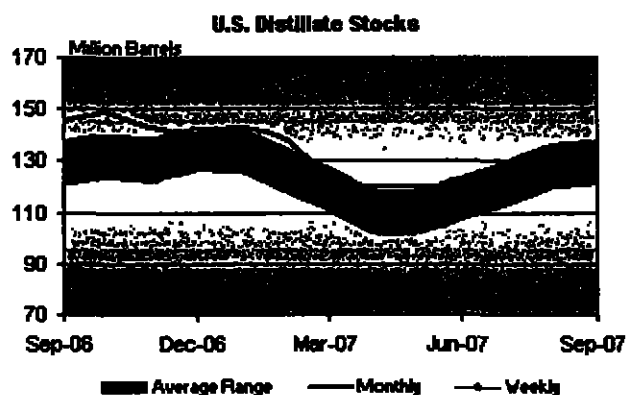
Greater than 500 ppm sulfur Stocks

more data

	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06

	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	31.6	34.5	35.5	37.4	38.3	38.9	39.5	58.9
East Coast (PADD I)	22.1	24.3	24.9	26.5	27.9	28.5	29.9	42.7
New England (PADD IA)	5.2	5.6	6.1	6.6	7.0	7.8	7.9	10.5
Central Atlantic (PADD IB)	13.9	15.3	15.2	16.0	17.0	17.4	19.1	27.3
Lower Atlantic (PADD IC)	3.0	3.5	3.6	4.0	3.9	3.3	2.9	5.0
Midwest (PADD II)	2.6	2.8	2.7	2.7	2.7	3.1	2.3	4.2
Gulf Coast (PADD III)	5.4	6.0	6.2	6.3	6.0	5.7	5.8	9.3
Rocky Mountain (PADD IV)	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.4
West Coast (PADD V)	1.2	1.2	1.4	1.6	1.4	1.3	1.2	2.3
Days of Supply (number of days)								more data
	Most Recent							Year Ago
	07/13/07	07/20/07	07/27/07	08/03/07	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	29.5	30.5	31.1	31.2	31.1	31.0	31.0	33.6

Note: Days of Supply calculated as: U.S. Total Distillate Stocks / Four-Week Average U.S. Distillate Fuel Oil Demand

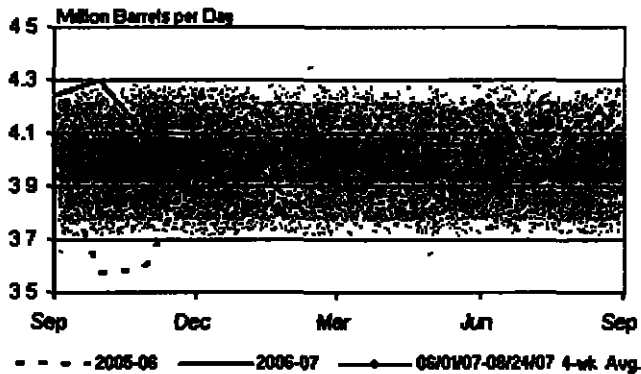


Distillate Production and Imports (Million Barrels per Day)

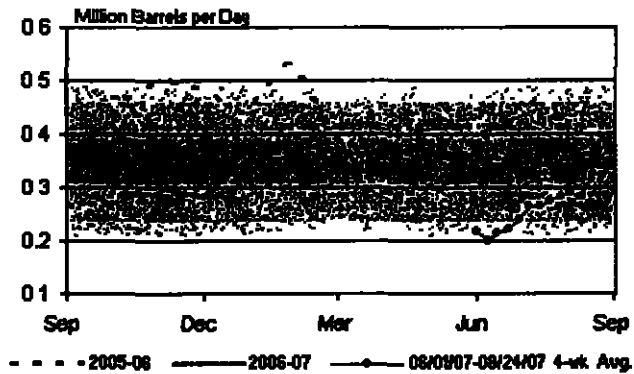
Total Distillate Production								more data
	Four-Week Averages				Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	4.165	4.183	4.141	3.996	4.100	4.206	4.158	4.215
East Coast (PADD I)	0.486	0.479	0.470	0.400	0.475	0.474	0.467	0.401
Midwest (PADD II)	0.884	0.902	0.935	0.887	0.891	0.921	1.020	0.968
Gulf Coast (PADD III)	2.029	2.019	1.959	1.941	1.943	2.061	1.894	2.046
Rocky Mountain (PADD IV)	0.187	0.192	0.184	0.194	0.179	0.200	0.166	0.189
West Coast (PADD V)	0.580	0.593	0.594	0.574	0.612	0.550	0.611	0.611
15 ppm sulfur and Under Production								more data
	Four-Week Averages				Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	2.897	2.942	2.944	2.218	2.899	3.067	2.989	2.391
East Coast (PADD I)	0.272	0.265	0.258	0.156	0.262	0.260	0.249	0.182
Midwest (PADD II)	0.758	0.781	0.817	0.548	0.770	0.816	0.898	0.600

Gulf Coast (PADD III)	1.233	1.239	1.209	0.890	1.204	1.322	1.181	0.991
Rocky Mountain (PADD IV)	0.154	0.157	0.152	0.168	0.151	0.169	0.132	0.161
West Coast (PADD V)	0.481	0.500	0.509	0.456	0.512	0.500	0.529	0.457
Greater than 15 ppm to 500 ppm sulfur Production								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	0.733	0.742	0.731	0.922	0.706	0.719	0.674	0.904
East Coast (PADD I)	0.036	0.036	0.033	0.061	0.043	0.031	0.015	0.064
Midwest (PADD II)	0.086	0.083	0.083	0.256	0.077	0.079	0.087	0.252
Gulf Coast (PADD III)	0.534	0.550	0.541	0.580	0.522	0.557	0.486	0.552
Rocky Mountain (PADD IV)	0.030	0.032	0.029	0.008	0.028	0.027	0.027	0.010
West Coast (PADD V)	0.047	0.042	0.045	0.017	0.036	0.025	0.059	0.026
Greater than 500 ppm sulfur Production								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
U.S.	0.535	0.499	0.466	0.857	0.495	0.420	0.495	0.920
East Coast (PADD I)	0.178	0.178	0.179	0.183	0.170	0.183	0.203	0.155
Midwest (PADD II)	0.040	0.038	0.035	0.084	0.044	0.026	0.035	0.116
Gulf Coast (PADD III)	0.262	0.230	0.209	0.471	0.217	0.182	0.227	0.503
Rocky Mountain (PADD IV)	0.003	0.004	0.003	0.018	0.000	0.004	0.007	0.018
West Coast (PADD V)	0.052	0.051	0.041	0.101	0.064	0.025	0.023	0.128
Distillate Imports								
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
Total Distillate	0.283	0.326	0.321	0.369	0.232	0.428	0.320	0.360
15 ppm sulfur and Under	0.170	0.178	0.178	0.141	0.098	0.225	0.184	0.124
Greater than 15 ppm to 500 ppm sulfur	0.005	0.006	0.016	0.066	0.002	0.002	0.044	0.139
Greater than 500 ppm to 2000 ppm sulfur	0.063	0.092	0.085	0.103	0.049	0.162	0.051	0.090
Greater than 2000 ppm sulfur	0.044	0.050	0.042	0.059	0.083	0.039	0.041	0.007

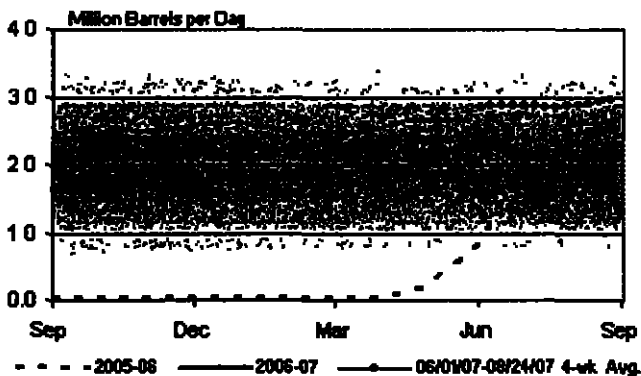
U.S. Distillate Production



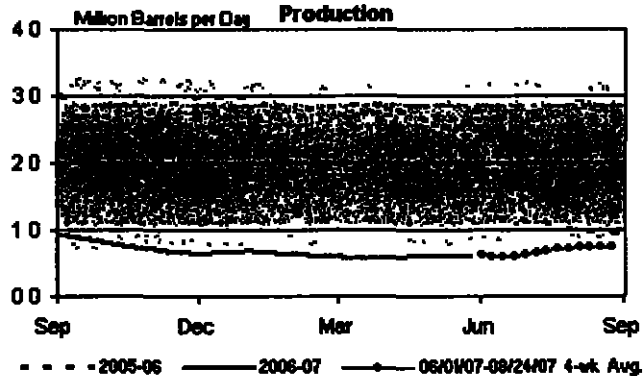
U.S. Distillate Imports

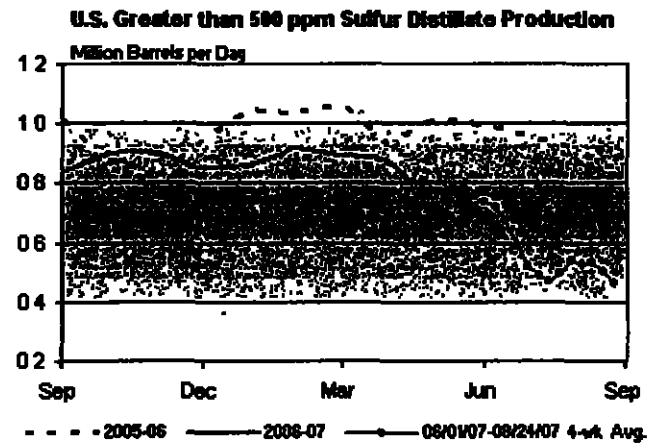


U.S. 15 ppm Sulfur and Under Distillate Production



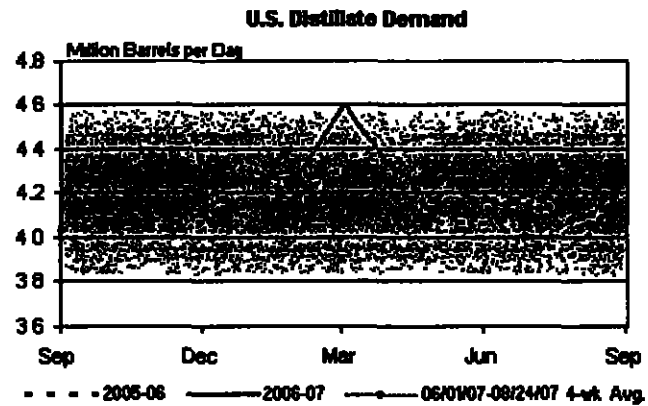
U.S. Greater than 15 ppm to 500 ppm Sulfur Distillate Production





Distillate Demand (Million Barrels per Day)

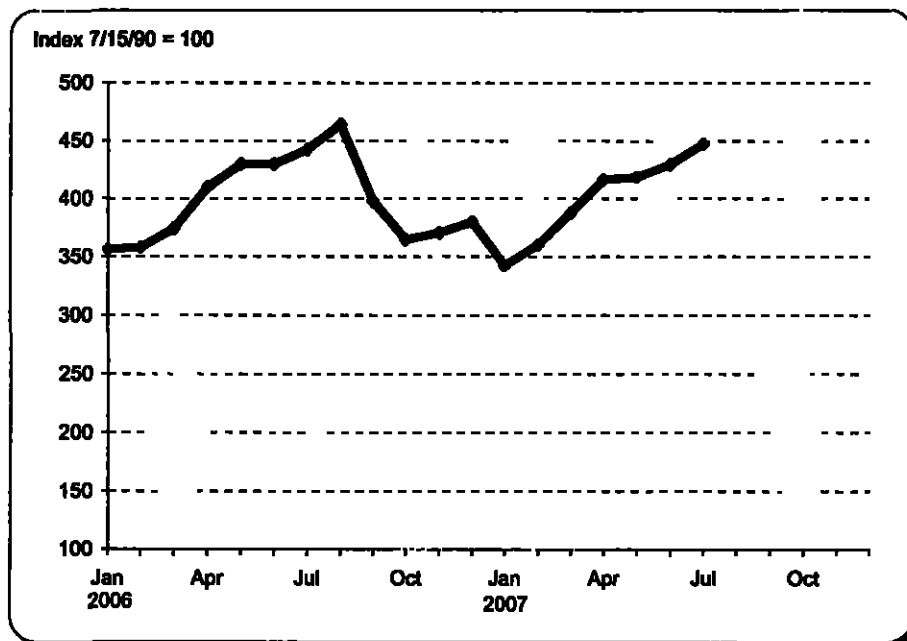
Distillate Demand								more data
	Four-Week Averages			Year Ago	Week Ending			Year Ago
	08/10/07	08/17/07	08/24/07	08/25/06	08/10/07	08/17/07	08/24/07	08/25/06
Distillate Fuel Oil	4.105	4.167	4.189	4.068	4.158	4.288	4.199	4.236



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Monthly Railroad Fuel Price Indexes

Prices through July 2007



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Association of American Railroads
Policy and Economics Department
50 F Street NW
Washington, DC 20001

August 20, 2007
www.aar.org
policy@aar.org

AAR MATERIALS AND SUPPLIES INDEX
Region By Composition
Third Quarter 2007
August 29, 2007

United States by Composition Category - Summary

Composition Category -----	Weight -----	Previous Quarter Index -----	Current Quarter Index -----	Relative Of Change -----
Forest Products	.1184	219.44	221.88	1.0111
Metal Products	.6461	171.90	174.19	1.0133
Miscellaneous Products	.2355	248.95	264.31	1.0617
U.S. By Composition	--	195.67	201.06	1.0275
U.S. By Composition (Linked)	--	200.36	205.87	1.0275
United States (1977=100) Linking Factor: 1.423	--	285.11	292.95	1.0275
United States (1980=100) Linking Factor: 1.061	--	212.58	218.43	1.0275

Car Hire for RCAF

RCAF (Forecast)

	1980	June 3Q/07	Sept. 4Q/07	Dec. 1Q/08	Mar. 2Q/08	June 3Q/08
RATE						
RR-OWNED TIME	31.00	67.00	67.00	--	--	--
RR-OWNED MILEAGE	4.69	7.30	7.30	--	--	--
PRIVATELY-OWNED CARS	25.47	44.76	44.73	--	--	--
AUTORACKS	47.00	47.82	48.97	--	--	--
INDEX						
RR-OWNED TIME	100.0	216.1	216.1	--	--	--
RR-OWNED MILEAGE	100.0	155.7	155.7	--	--	--
PRIVATELY-OWNED CARS	100.0	175.8	175.6	--	--	--
AUTORACKS	100.0	101.7	104.2	--	--	--
CAR HIRE INDEX (old wts) 2005	100.0	181.3	--	--	--	--
CAR HIRE INDEX (new wts) 2006	100.0	180.8	180.7	--	--	--
CAR HIRE INDEX (LINKED)	100.0	179.8	179.7	--	--	--

Note: The Car Hire Index for third quarter using *old weights* and *linked* should match that quarter's filing. The third quarter *new weights* version is used in the fourth quarter linked index calculation to ensure that the transition from old weights to new weights does not impact the linked index.

Note: Indexes are rounded, rates are full float.

Equipment Rents Data From UMLER

	2007					2008					Aug		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr		May	Jun
Railroad Owned													
No of Cars	9,404	9,399	9,383										
Superstructures													
Rate	16.0	17.0	17.0										
Superstructures #3 - Auto Rack	67.0	67.0	67.0										
All other #1 - Time	7.2	7.3	7.3										
All other #2 - Mileage													
Privately Owned													
No of Cars	49,677	49,721	49,818										
Superstructures	335,397	335,992	336,292										
Covered Hoppers	294,240	294,531	297,038										
Tank Cars	289,294	289,490	290,414										
Others													
Rate	76.0	76.0	76.0										
Superstructures #1 - Time	0.8	0.8	0.8										
Superstructures #2 - Mileage	54.0	54.0	55.0										
Superstructures #3 - Auto Rack	44.5	44.5	44.6										
Covered Hoppers #2 - Mileage	72.7	72.7	71.9										
Tank Cars #2 - Mileage	67.0	68.0	66.0										
Citers #1 -Time	6.9	6.9	6.9										
Citers #2 - Mileage													
AVERAGE RATES													
Private Superstructures	18.66	18.66	18.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Citers	21.77	21.55	21.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Private Total	44.95	44.89	44.73	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Autotrucks	47.95	48.12	48.97	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

WEIGHTS	"Old Wts" "New Wts"	
	2005	2006
For RCAF & RCR		
RR-owned Time	0.181	0.182
RR-owned Mileage	0.089	0.087
Privately-owned Cars	0.730	0.716
Autotrucks	0.000	0.005
----- Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2005	2006
Car Hire - U S	0.492	0.463
Lease Rentals - U S	0.508	0.537
----- Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures and Combined Private Others rates.

CAR GROUP		CAR COUNT		AVERAGE RATE FOR 09/07	
-----		-----		-----	
				CAR RENTAL RATES	
				TIME	MILEAGE
				-----	-----
-VEHICULAR FLATS				76 ¢/HR	.008 \$/MILE
ONO. OF ZERO RATED VEH. FLATS 2/		49,818			
-COVERED HOPPERS				0 ¢/HR	.446 \$/MILE
ONO OF ZERO RATED COVERED HOPPERS 2/		336,292			
-TANKS				3 ¢/HR	719 \$/MILE
ONO. OF ZERO RATED TANKS 2/		10,181			
-ALL OTHER CARS				66 ¢/HR	.069 \$/MILE
ONO. OF ZERO RATED "OTHER" CARS 2/		297,036			
		8,507			
		290,414			
		39,455			

		TOTAL: 1,033,713			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES.

CAR TYPE D - LOCOMOTIVES

CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE

CAR TYPE U - CONTAINERS

CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONX) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6) THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

3

1 PROGRAM. DPRB799
CURRENT DATE SEPTEMBER 01, 2007

AVERAGE RATE FOR 09/07			
CAR RENTAL RATES			
CAR GROUP	CAR COUNT	TIME	AUTO RACK
-VEHICULAR FLATS			
ONO OF ZERO RATED VEH. FLATS 2/	9,393	128 ¢/HR	080 \$/MILE
-ALL OTHER CARS	112		
ONO. OF ZERO RATED "OTHER" CARS 2/	688,177	67 ¢/HR	.073 \$/MILE
	36,625		
0	TOTAL:	734,307	

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:

- CAR TYPE D - LOCOMOTIVES
- CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
- CAR TYPE U - CONTAINERS
- CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

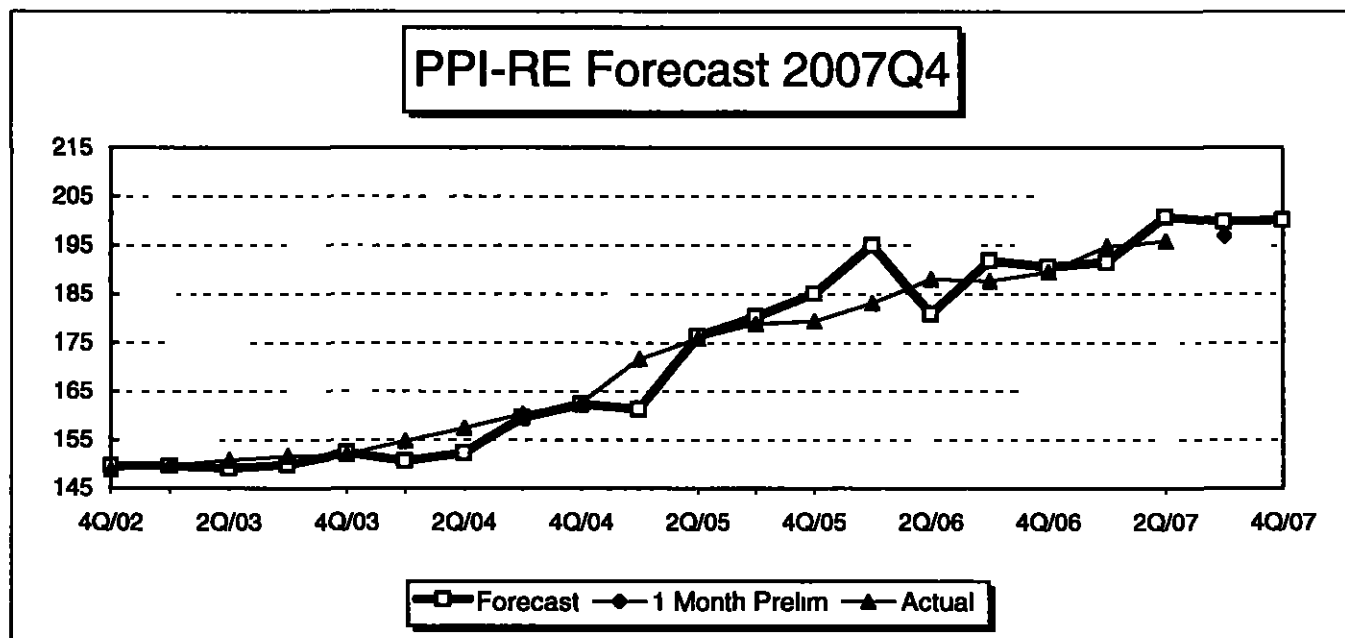
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6) THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

PPI-RE Forecast (for Depreciation Component)

	Forecast	Actual	1 Month Prelim
4Q/02	149.7	148.8	
1Q/03	149.6	149.7	
2Q/03	149.1	150.8	
3Q/03	149.9	151.7	
4Q/03	152.4	152.0	
1Q/04	150.7	154.8	
2Q/04	152.3	157.5	
3Q/04	159.6	160.3	
4Q/04	162.4	162.7	
1Q/05	161.3	171.7	
2Q/05	176.3	175.9	
3Q/05	180.3	178.9	
4Q/05	185.1	179.4	
1Q/06	195.0	183.1	
2Q/06	180.9	188.1	
3Q/06	191.9	187.7	
4Q/06	190.6	189.6	
1Q/07	191.6	194.8	
2Q/07	200.9	195.9	
3Q/07	199.9		197.0
4Q/07	200.2		

1980 Base

	PPI-RE Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2007Q4						
Low	175.1	193.7	2.2%			
Modpoint	181.0	200.2	5.6%	1.6%	2.2%	0.2%
High	187.0	206.9	9.1%			



Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2007q4\5Deprec\FPre_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPIRE

Length 72 Minimum 134.500 Maximum 178.100
Mean 150.653 Standard deviation 15.737

Classical decomposition (multiplicative)

Trend-cycle: 98.90% Seasonal: 0.54% Irregular: 0.56%

Log transform recommended for Box-Jenkins.

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 1.642 to 2.506 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and nonseasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPIRE

Holt exponential smoothing: Linear trend, No seasonality

Confidence limits proportional to level

Component	Smoothing Weight	Final Value
Level	0.99997	178.10
Trend	0.09913	0.72831

Within-Sample Statistics

Sample size 72	Number of parameters 2
Mean 150.7	Standard deviation 15.74
R-square 0.9943	Adjusted R-square 0.9942
Durbin-Watson 1.726	** Ljung-Box(18)=38.79 P=0.997
Forecast error 1.198	BIC 1.253
MAPE 0.004892	RMSE 1.181
MAD 0.7638	

Forecast Report

Mon Aug 20 09:50:30 2007

Exponential Smoothing model for PPIRE

Analysis of Historic Fit Set

Date	Historic
2001-08	135.100
2001-09	135.000
2001-10	134.600
2001-11	134.500
2001-12	134.500
2002-01	134.900
2002-02	134.600
2002-03	135.100
2002-04	135.000
2002-05	135.200
2002-06	135.400
2002-07	134.900
2002-08	135.000
2002-09	134.600

re_ppi.txt

2002-10	134.500
2002-11	134.500
2002-12	134.500
2003-01	134.500
2003-02	135.400
2003-03	135.500
2003-04	136.000
2003-05	136.300
2003-06	136.300
2003-07	136.700
2003-08	136.500
2003-09	136.900
2003-10	137.200
2003-11	137.700
2003-12	137.300
2004-01	137.900
2004-02	140.100
2004-03	142.200
2004-04	142.800
2004-05	143.500
2004-06	143.700
2004-07	143.200
2004-08	143.500
2004-09	144.200
2004-10	145.000
2004-11	147.000
2004-12	153.200
2005-01	153.400
2005-02	156.000
2005-03	161.600
2005-04	161.100
2005-05	161.300
2005-06	161.200
2005-07	161.500
2005-08	161.800
2005-09	161.800
2005-10	161.700
2005-11	161.900
2005-12	162.200
2006-01	164.200
2006-02	165.500
2006-03	168.200
2006-04	168.200
2006-05	169.600
2006-06	171.300
2006-07	170.600
2006-08	170.900
2006-09	170.400
2006-10	170.200
2006-11	170.300
2006-12	172.700
2007-01	173.900
2007-02	175.600
2007-03	176.100
2007-04	177.300
2007-05	177.000
2007-06	176.900
2007-07	178.100

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
------	-----------	----------	------------

			re_ppi.txt
2007-08	176.039	178.828	181.617
2007-09	175.413	179.557	183.701
2007-10	175.130	180.285	185.439
2007-11	175.016	181.013	187.010
2007-12	175.007	181.742	188.476
2008-01	175.070	182.470	189.869
2008-02	175.189	183.198	191.208
2008-03	175.351	183.926	192.502
2008-04	175.548	184.655	193.762
2008-05	175.774	185.383	194.992
2008-06	176.025	186.111	196.198
2008-07	176.298	186.840	197.381



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Data extracted on: August 20, 2007 (08:33 AM)

PPI Commodity Data

Series Catalog:

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Data : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	164.2	165.5	168.2	168.2	169.5	171.3	170.6	170.9	170.4	170.2	170.3	172.7	169.4
2007	173.9	175.6	176.1	177.3(P)	177.0(P)	176.9(P)	178.1(P)						

P : Preliminary. All indexes are subject to revision four months after original publication.

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Calculation of Interest Rate for RCAF

Sch. 210	2006 Col. b.
L. 42	1,143,099
L. 44	7,796
<u>-L. 22</u>	<u>5,210</u>
Tot. Interest	1,145,685

Sch. 200	(close of year) Col b.	(beg. of year) Col c.	Avg.
L. 30	8,292	0	
L. 39	689,994	899,959	
L. 41	2,777,817	2,782,351	
L. 42	1,072,027	1,363,355	
L. 43	1,943,276	2,040,717	
L. 44	0	0	
L. 45	9,816,036	8,743,091	
L. 46	97,419	112,769	
Tot. Debt	16,404,861	15,942,242	16,173,551.5
			7.08%

Index (1980=100)

90.2

Sch. 210	1980 Col. b.
L. 44	1,015,377
L. 46	19,097
<u>-L. 22</u>	<u>413</u>
Tot. Interest	1,034,061

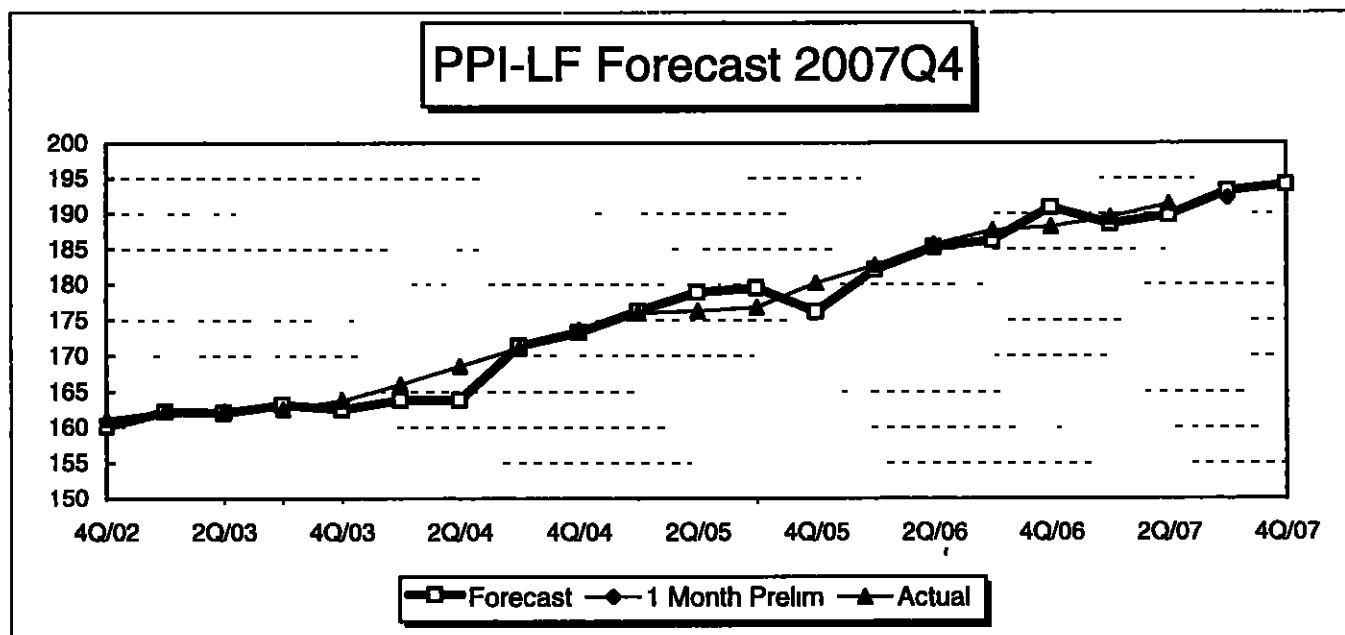
Sch. 200	Col b.	Col c.	
L. 26	56,047	40,480	
L. 34	975,151	1,016,289	
L. 36	4,459,060	4,230,627	
L. 37	6,110,818	5,461,765	
L. 38	1,477,000	1,519,719	
L. 39	207,142	207,142	
L. 40	393,362	279,509	
L. 41	(54,679)	(24,481)	
Tot. Debt	13,623,901	12,731,050	7.85%

PPI-LF Forecast (for Other and Lease Rentals Components)

	Forecast	Actual	1 Month Prelim
4Q/02	160.2	161.2	
1Q/03	162.2	162.3	
2Q/03	162.1	162.3	
3Q/03	163.2	162.6	
4Q/03	162.6	163.8	
1Q/04	163.9	166.0	
2Q/04	163.9	168.6	
3Q/04	171.4	171.1	
4Q/04	173.3	173.7	
1Q/05	176.3	176.0	
2Q/05	178.9	176.3	
3Q/05	179.5	176.8	
4Q/05	176.2	180.2	
1Q/06	182.1	182.7	
2Q/06	185.3	185.7	
3Q/06	186.3	187.7	
4Q/06	190.9	188.2	
1Q/07	188.6	189.5	
2Q/07	189.8	191.4	
3Q/07	193.2		192.2
4Q/07	194.1		

1980 Base

	PPI-LF Forecast		Percent Change			
	(82=100)	(80=100)	Yr Ago Actual	Latest Month Actual	2nd Prev Qtr Actual	Previous Forecast
2007Q4						
Low	171.0	191.7	1.9%			
Modpoint	173.1	194.1	3.1%	1.0%	1.4%	0.5%
High	175.3	196.5	4.4%			



lf_ppi.txt

Forecast Pro Version 4.3 Standard Edition

Database I:\Indexes2\RCAF\2007q4\7Other\FPI\lf_ppi.xls is open and ready for use.

Expert data exploration of dependent variable PPILF

Length 72 Minimum 142.200 Maximum 171.400
Mean 153.744 Standard deviation 9.975

Classical decomposition (multiplicative)

Trend-cycle: 99.51% Seasonal: 0.09% Irregular: 0.41%

Log transform recommended for Box-Jenkins.

Choice is narrowed down to Box-Jenkins or exponential smoothing.

Exponential smoothing outperforms Box-Jenkins by 1.248 to 1.361 out-of-sample Mean Absolute Deviation. I tried 78 forecasts up to a maximum horizon 12. For Box-Jenkins, I used a log transform.

Series is trended and seasonal.

Recommended model: Exponential Smoothing

Forecast Model for PPILF

Multiplicative Winters: Linear trend, Multiplicative seasonality

Confidence limits proportional to indexes

Component	Smoothing Weight	Final Value
Level	0.95283	171.42
Trend	0.33037	0.42159
Seasonal	0.99993	

Seasonal Indexes

January - March	1.00023	0.99987	0.99992
April - June	0.99981	0.99999	0.99984
July - September	0.99991	1.00007	0.99972
October - December	1.00103	1.00024	0.99938

Within-Sample Statistics

Sample size 72	Number of parameters 3
Mean 153.7	Standard deviation 9.975
R-square 0.9983	Adjusted R-square 0.9982
Durbin-Watson 1.397	** Ljung-Box(18)=37.24 P=0.9951
Forecast error 0.4205	BIC 0.45
MAPE 0.002132	RMSE 0.4117
MAD 0.3285	

Forecast Report

Mon Aug 20 10:27:16 2007

Exponential Smoothing model for PPILF

Analysis of Historic Fit Set

Date	Historic
2001-08	142.800
2001-09	142.800
2001-10	142.600
2001-11	142.300
2001-12	142.200

1f_ppi.txt

2002-01	142.200
2002-02	142.200
2002-03	142.400
2002-04	142.800
2002-05	142.700
2002-06	143.000
2002-07	143.000
2002-08	143.000
2002-09	143.200
2002-10	143.900
2002-11	143.800
2002-12	143.400
2003-01	144.000
2003-02	144.700
2003-03	145.300
2003-04	144.800
2003-05	144.900
2003-06	144.800
2003-07	144.600
2003-08	144.800
2003-09	145.000
2003-10	145.900
2003-11	146.100
2003-12	146.300
2004-01	147.200
2004-02	148.200
2004-03	149.100
2004-04	150.000
2004-05	150.500
2004-06	150.900
2004-07	151.500
2004-08	152.600
2004-09	153.300
2004-10	154.600
2004-11	155.000
2004-12	155.400
2005-01	156.400
2005-02	156.900
2005-03	157.400
2005-04	157.600
2005-05	157.400
2005-06	157.000
2005-07	157.300
2005-08	157.500
2005-09	158.700
2005-10	160.500
2005-11	161.000
2005-12	161.300
2006-01	162.500
2006-02	163.200
2006-03	163.800
2006-04	164.800
2006-05	166.400
2006-06	166.800
2006-07	167.100
2006-08	167.500
2006-09	167.600
2006-10	167.700
2006-11	167.800
2006-12	167.900
2007-01	168.200
2007-02	168.600
2007-03	169.400

1f_ppi.txt

2007-04	170.200
2007-05	170.700
2007-06	171.200
2007-07	171.400

Forecasted Values

Date	2.5 Lower	Forecast	97.5 Upper
2007-08	170.968	171.850	172.732
2007-09	170.786	172.209	173.633
2007-10	171.047	172.857	174.668
2007-11	171.014	173.143	175.271
2007-12	171.011	173.415	175.819
2008-01	171.333	173.984	176.635
2008-02	171.467	174.344	177.221
2008-03	171.687	174.774	177.860
2008-04	171.893	175.176	178.459
2008-05	172.161	175.629	179.097
2008-06	172.381	176.024	179.668
2008-07	172.647	176.459	180.270



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Data extracted on: August 20, 2007 (08:50 AM)

PPI Commodity Data

Series Catalog

Series ID : wpu03t13m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	162.5	163.2	163.8	164.8	166.4	166.8	167.1	167.5	167.6	167.7	167.8	167.9	166.1
2007	168.2	168.6	169.4	170.2(P)	170.7(P)	171.2(P)	171.4(P)						

P : Preliminary. All indexes are subject to revision four months after original publication.

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Forecast Error Calculation

	Second Quarter 2007		Diff
	2005	2007Q2	
Labor	Weight	Forecast	Actual
Fuel	35.3%	298.2	298.2
M&S	16.0%	235.9	257.0
Equip Rents	4.6%	206.1	206.1
Depreciation	8.2%	190.2	191.4
Interest	11.1%	200.9	195.9
Other	3.1%	96.9	96.9
Weighted Avg	21.7%	189.8	191.4
1980 = 100		234.6	237.8
1980 = 100 (linked)		230.0	234.1
4Q02 = 100		119.7	121.9
4Q97 = 100		132.8	135.2
4Q92 = 100		146.6	149.2

Forecast Error → 2.2

<u>Prior Quarter</u>	
1980 = 100	234.5
1980 = 100 (linked)	229.9
4Q02 = 100	119.7
4Q97 = 100	132.7
4Q92 = 100	146.5

Equipment Rents

Car Hire	178.9	179.3
Lease Rentals	189.8	191.4
Weighted Average	184.4	185.4
Linked	190.2	191.4

<u>Prior Quarter</u>	
Weighted Average	182.5
Linked	188.2

Sum of Weights ok
Sum of ER Wt. ok

*** If fourth quarter, weighted avg for prior needs to use new weights, linked is ok

* actual=forecast from 1st month of quarter
* actual=forecast from Equipment Rents below
PPI-RE 177.30 177.00 176.90 0.9040
* actual=forecast
PPI-LF 170.20 170.70 171.20 0.8920

calculated
calculated
calculated
calculated
calculated

calculated

calculated
calculated
calculated

from UMLER equipment rents
calculated (equals PPI-LF from above)
calculated
calculated

All-Inclusive Index (Actual)

	05 Wts	3Q/06 04 Wts	3Q/06 05 Wts	% Chg.	4Q/06 05 Wts	1Q/07 05 Wts	% Chg.	2Q/07 05 Wts	% Chg.	3Q/07 05 Wts	% Chg.
Labor	35.3%	292.1	292.1	0.0%	293.0	297.4	1.5%	298.2	0.3%	NA	NA
Fuel	16.0%	273.1	273.1	0.0%	225.1	211.3	-6.1%	257.0	21.6%	NA	NA
M&S	4.6%	197.2	197.2	0.0%	204.3	207.1	1.4%	206.1	-0.5%	NA	NA
Equipment Rents	8.2%	188.0	188.0	0.0%	188.1	189.0	0.5%	191.4	1.3%	0.0	NA
Depreciation	11.1%	187.7	187.7	0.0%	189.6	194.8	2.7%	195.9	0.6%	NA	NA
Interest	3.1%	92.7	92.7	0.0%	96.9	96.9	0.0%	96.9	0.0%	96.9	0.0%
Other	21.7%	187.7	187.7	0.0%	188.2	189.5	0.7%	191.4	1.0%	NA	NA
	<u>1.0000</u>										
Weighted Avg.		233.2	235.7	1.1%	229.2	229.6	0.2%	237.8	3.6%	3.0	NA
Linked		232.0			225.6	226.0	0.2%	234.1	3.6%	3.0	NA
10/1/80		225.9			219.7	220.1	0.2%	227.9	3.5%	2.9	NA
10/1/82		191.9			186.6	186.9	0.2%	193.6	3.6%	2.5	NA
4Q/87		175.5			170.7	171.0	0.2%	177.1	3.6%	2.3	NA
4Q/92		147.9			143.8	144.0	0.1%	149.2	3.6%	1.9	NA
4Q/97		133.9			130.3	130.5	0.2%	135.2	3.6%	1.7	NA
4Q/02		120.8			117.4	117.6	0.2%	121.9	3.7%	1.6	NA
Equipment Rents											
Car Hire	49.2%	176.3	176.3	0.0%	176.0	176.5	0.3%	179.3	1.6%	NA	NA
Lease Rentals	50.8%	187.7	187.7	0.0%	188.2	189.5	0.7%	191.4	1.0%	0.0	NA
	1.0000										
ER Weighted Avg		181.9	182.1	0.1%	182.2	183.1	0.5%	185.4	1.3%	0.0	NA
ER Linked		188.0			188.1	189.0	0.5%	191.4	1.3%	0.0	NA

Impact/Check of weight change											
Labor	35.3%	292.1	292.1	0.0%	293.0	297.4	1.5%	298.2	0.3%	NA	NA
Fuel	16.0%	273.1	273.1	0.0%	225.1	211.3	-6.1%	257.0	21.6%	NA	NA
M&S	4.6%	197.2	197.2	0.0%	204.3	207.1	1.4%	206.1	-0.5%	NA	NA
Equipment Rents	8.2%	188.0	188.0	0.0%	188.1	189.0	0.5%	191.4	1.3%	0.0	NA
Depreciation	11.1%	187.7	187.7	0.0%	189.6	194.8	2.7%	195.9	0.6%	NA	NA
Interest	3.1%	92.7	92.7	0.0%	96.9	96.9	0.0%	96.9	0.0%	96.9	0.0%
Other	21.7%	187.7	187.7	0.0%	188.2	189.5	0.7%	191.4	1.0%	NA	NA
Weighted Avg.		233.2	235.7	1.1%	229.2	229.6	0.2%	237.8	3.6%	3.0	NA
ER Weighted Avg		181.9	182.1	0.1%	182.2	183.1	0.5%	185.4	1.3%	0.0	NA

RCAF Fuel (Actual All-Inclusive Index)

April 2007

Average Price for Monthly Report

	April 2007 Price (1)	1/1/81 Price (2)	1/91 New Method Linking Factors (3)	April 2007 Index 1/1/81=100 (4)	(4) = (1) / (2) x (3)
U.S.	210.29	89.34	99.415	234.00	
East	196.73	91.56	99.435	213.65	
West	215.56	87.83	99.416	244.00	

Fuel Index on 1977 Base and 1980 Base

	April 2007 Index 1/1/81=100 (1)	Linking Factors 1977=100 (2)	1980=100 (3)	April 2007 Index 1977=100 (4)	1980=100 (5)	(4) = (1) x (2) (5) = (1) x (3)
U.S.	234.00	2.606	1.096	609.82	256.47	
East	213.65	2.569	1.134	548.87	242.28	
West	244.00	2.639	1.067	643.90	260.34	

Final Actual All-Inclusive Index

	1980=100 April 2007 Current Index	Adjustment Factor	April 2007 Linked Index	
U.S.	256.47	1.00192	256.96	←
East	242.28	1.00621	243.78	
West	260.34	1.00024	260.41	

January	= Q1
April	= Q2
July	= Q3
October	= Q4

Car Hire for RCAF

RCAF (Actual)

		1980	Aug 3Q/06	Nov 4Q/06	Feb 1Q/07	May 2Q/07	Aug 3Q/07
RATE							
RR-OWNED TIME		31.00	66.00	66.00	66.00	67.00	--
RR-OWNED MILEAGE		4.69	7.30	7.30	7.30	7.30	--
PRIVATELY-OWNED CARS		25.47	43.82	43.71	43.92	44.68	--
AUTORACKS		47.00	47.12	48.79	45.22	47.33	--
INDEX							
RR-OWNED TIME		100.0	212.9	212.9	212.9	216.1	--
RR-OWNED MILEAGE		100.0	155.7	155.7	155.7	155.7	--
PRIVATELY-OWNED CARS		100.0	172.1	171.6	172.4	175.4	--
AUTORACKS		100.0	100.3	103.8	96.2	100.7	--
CAR HIRE INDEX (old wts)	2004	100.0	180.1	--	--	--	--
CAR HIRE INDEX (new wts)	2005	100.0	178.0	177.7	178.2	181.0	--
CAR HIRE INDEX (LINKED)		100.0	176.3	176.0	176.5	179.3	--

Note: Indexes are rounded, rates are full float

Equipment Rents Data From UMLER

	2008						2007							
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Railroad Owned														
No of Cars														
Superstructures	9,553	9,551	9,625	9,662	9,608	9,598	9,565	8,657	8,650	8,783	8,774	8,808		
Rate	17.0	17.0	17.0	17.0	17.0	17.0	16.0	18.0	18.0	17.0	21.0	18.0		
Superstructures #3 - Auto Rack	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	66.0	67.0	67.0	67.0		
All other #1 - Time	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3		
All other #2 - Mileage														
Privately Owned														
No of Cars														
Superstructures	48,911	48,912	49,015	49,098	49,155	49,228	49,263	49,273	49,336	49,418	49,461	49,503		
Covered Hoppers	317,763	319,518	320,056	321,181	322,296	323,300	324,210	327,592	329,642	330,403	331,425	333,362		
Tank Cars	277,762	278,283	278,772	279,854	279,952	280,290	283,855	285,536	286,993	288,405	289,097	291,194		
Others	267,750	271,083	274,278	275,750	278,645	278,448	281,387	281,557	282,429	285,423	286,926	288,582		
Rate	75.0	75.0	75.0	75.0	75.0	75.0	76.0	76.0	76.0	76.0	76.0	76.0		
Superstructures #1 - Time	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.8	0.8		
Superstructures #2 - Mileage	53.0	53.0	54.0	54.0	55.0	55.0	50.0	50.0	51.0	51.0	52.0	53.0		
Superstructures #3 - Auto Rack	44.5	44.4	44.5	44.5	44.5	44.5	44.0	44.2	44.3	44.3	44.4	44.4		
Covered Hoppers #2 - Mileage	68.8	69.0	69.3	69.4	69.5	69.7	69.3	69.6	72.1	72.2	72.4	72.4		
Tank Cars #2 - Mileage	70.0	69.0	68.0	68.0	67.0	67.0	67.0	68.0	67.0	67.0	68.0	67.0		
Others #1 -Time														
Others #2 - Mileage	6.7	6.7	6.7	6.6	6.6	6.6	6.9	6.9	6.9	6.8	6.9	6.9		
AVERAGE RATES														
Private Superstructures	17.63	17.63	17.63	17.63	17.63	17.63	18.46	18.46	18.46	18.46	18.68	18.66	0.00	0.00
Private Others	22.24	22.02	21.80	21.70	21.47	21.47	21.77	22.00	21.77	21.67	21.55	21.77	0.00	0.00
Private Total	43.82	43.82	43.82	43.81	43.71	43.76	43.65	43.92	44.66	44.63	44.68	44.76	#DIV/0!	#DIV/0!
Autotracks	47.12	47.12	47.93	47.92	48.79	48.80	44.47	45.22	46.08	45.87	47.33	47.82	#DIV/0!	#DIV/0!

	"Old Wts" "New Wts"	
	2004	2005
For RCAF & RCR		
RR-owned Time	0.235	0.181
RR-owned Mileage	0.099	0.089
Privately-owned Cars	0.666	0.730
Autotracks	0.000	0.000
***** Check sum	1.000	1.000

Weights for Equipment Rents (not used in Car Hire calculation)		
	2004	2005
Car Hire - U.S	0.510	0.492
Lease Rentals - U.S	0.490	0.508
***** Check sum	1.000	1.000

Note: The 4 bold lines are used for the Car Hire Rate. Private Total uses a weighted average of the Covered Hoppers, Tank Cars, Combined Private Superstructures, and Combined Private Others rates.

CAR GROUP	CAR COUNT	TIME	MILEAGE	AUTO RACK
-VEHICULAR FLATS				
ONO. OF ZERO RATED VEH. FLATS 2/	8,774	116 ¢/HR	.080 \$/MILE	21 ¢/HR
-ALL OTHER CARS	152			
ONO OF ZERO RATED "OTHER" CARS 2/	700,168	67 ¢/HR	.073 \$/MILE	
	37,104			
0 TOTAL	746,198			

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES:
CAR TYPE D - LOCOMOTIVES
CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
CAR TYPE U - CONTAINERS
CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.
-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6). THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS

CURRENT DATE: MAY 01, 2007

PRIVATE EQUIPMENT 1/

PAGE NO. 88

		AVERAGE RATE FOR 05/07	
		CAR RENTAL RATES	
CAR GROUP	CAR COUNT	TIME	MILEAGE
-VEHICULAR FLATS	49,461	76 ¢/HR	008 \$/MILE
ONO. OF ZERO RATED VEH FLATS 2/	15		
-COVERED HOPPERS	331,425	0 ¢/HR	.444 \$/MILE
ONO OF ZERO RATED COVERED HOPPERS 2/	10,539	4 ¢/HR	.724 \$/MILE
-TANKS	289,097	66 ¢/HR	.069 \$/MILE
CNO. OF ZERO RATED TANKS 2/	8,627		
-ALL OTHER CARS	286,926		
ONO. OF ZERO RATED "OTHER" CARS 2/	39,929		
0	TOTAL	1,016,019	

1/ THIS PRINT EXCLUDES THE FOLLOWING CAR TYPES-

- CAR TYPE D - LOCOMOTIVES
- CAR TYPE M - MAINTENANCE OF WAY, SCALE, PASSENGER, CABOOSE AND EOT DEVICE
- CAR TYPE U - CONTAINERS
- CAR TYPE Z - TRAILERS

0 ALL TTX EQUIPMENT (INCLUDING ABOX, RBOX AND GONK) IS SHOWN ON THE PRIVATE EQUIPMENT REPORT.

-2/ EQUIPMENT CAN BE ZERO RATED DUE TO OWNERS SUPPLYING INCORRECT OR INSUFFICIENT INFORMATION TO THE CAR ACCOUNTING PROCESS OR CARS WITH RATE INDICATOR SIX (6) THIS EQUIPMENT IS ELIMINATED FROM THE AVERAGING PROCESS.

□

RCAF - Depreciation

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Forecast Year 2007

As reported at end of month 82=100

		Nov.	Feb.	May	Aug.
For Forecast →		07Q1	07Q2	07Q3	07Q4
For Actual →		06Q3	06Q4	07Q1	07Q2
January	2006	164.2	164.2	164.2	164.2
February	2006	165.5	165.5	165.5	165.5
March	2006	168.2	168.2	168.2	168.2
April	2006	168.2	168.2	168.2	168.2
May	2006	169.6	169.6	169.6	169.6
June	2006	171.3	171.3	171.3	171.3
July	2006	169.3	170.6	170.6	170.6
August	2006	169.5	170.9	170.9	170.9
September	2006	170.3	170.4	170.4	170.4
October	2006	170.6	170.6	170.2	170.2
November	2006		170.2	170.3	170.3
December	2006		173.3	172.7	172.7
January	2007		177.2	177.2	173.9
February	2007			175.1	175.6
March	2007			175.9	176.1
April	2007			177.3	177.3
May	2007				177.0
June	2007				176.9
July	2007				178.1
Actual Qtr.		169.7	171.4	176.1	177.1

1980=100

Actual Qtr.

First Mo. next qtr.

187.7	189.6	194.8	195.9
188.7	196.0	196.1	197.0

0.904 =1980



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PPI Commodity Data

Series Catalog

Series ID : wpu144

Not Seasonally Adjusted

Group : Transportation equipment

Item : Railroad equipment

Base Date : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	164.2	165.5	168.2	168.2	169.6	171.3	170.6	170.9	170.4	170.2	170.3	172.7	169.4
2007	173.9	175.6	176.1	177.3(P)	177.0(P)	176.9(P)	178.1(P)						

P : Preliminary. All indexes are subject to revision four months after original publication.

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 Do you have [Other comments?](#)

RCAF - Other

Series ID : wpu03t15m05

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

		Forecast Year 2006			
		As reported at end of month 82=100			
		Nov.	Feb.	May	Aug.
For Forecast	→	07Q1	07Q2	07Q3	07Q4
For Actual	→	06Q3	06Q4	07Q1	07Q2
January	2006	162.5	162.5	162.5	162.5
February	2006	163.2	163.2	163.2	163.2
March	2006	163.8	163.8	163.8	163.8
April	2006	164.8	164.8	164.8	164.8
May	2006	166.4	166.4	166.4	166.4
June	2006	166.8	166.8	166.8	166.8
July	2006	167.3	167.1	167.1	167.1
August	2006	167.3	167.5	167.5	167.5
September	2006	167.7	167.6	167.6	167.6
October	2006	167.7	167.7	167.7	167.7
November	2006		168.0	167.8	167.8
December	2006		168.1	167.9	167.9
January	2007		168.4	168.4	168.2
February	2007			169.0	168.6
March	2007			169.6	169.4
April	2007			170.2	170.2
May	2007				170.7
June	2007				171.2
July	2007				171.4
Actual Qtr.		167.4	167.9	169.0	170.7

1980=100

Actual Qtr.	187.7	188.2	189.5	191.4
First Mo. next qtr.	188.0	188.8	190.8	192.2

0.892 =1980



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PPI Commodity Data

Series Catalog:

Series ID : wpu03t15m03

Not Seasonally Adjusted

Group : Industrial Commodities less fuels

Item : Industrial commodities less fuels

Base Date : 8200

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
2006	162.5	163.2	163.8	164.8	166.4	166.8	167.1	167.5	167.6	167.7	167.8	167.9	166.1
2007	168.2	168.6	169.4	170.2(P)	170.7(P)	171.2(P)	171.4(P)						

P : Preliminary. All indexes are subject to revision four months after original publication.

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RCAF Weights

	U.S.	East	West	2006	2005	Amt Chg	2004	2003	2002
Labor	\$14,483,799	\$5,945,587	\$8,538,212	34.5%	35.3%	-0.8%	36.0%	37.5%	38.0%
Fuel	8,073,772	2,279,898	5,793,874	19.2%	16.0%	3.2%	12.1%	10.6%	9.0%
Mat & Sup.	2,111,636	796,118	1,315,518	5.0%	4.6%	0.4%	4.4%	4.4%	4.6%
Equip. Rents	3,265,654	827,661	2,437,993	7.8%	8.2%	-0.4%	8.9%	9.4%	10.3%
Depreciation	4,450,433	1,779,019	2,671,414	10.6%	11.1%	-0.5%	10.6%	10.7%	10.9%
Interest	1,141,892	459,826	682,066	2.7%	3.1%	-0.4%	3.0%	3.2%	3.7%
Other	8,453,518	3,817,574	4,635,944	20.2%	21.7%	-1.5%	25.0%	24.2%	23.5%
Total	\$41,980,704	\$15,905,683	\$26,075,021	100.0%	100.0%		100.0%	100.0%	100.0%

Check

410 620f	40,838,812
Interest	1,141,892
Total	41,980,704
	ok

Bolded number was adjusted to force rounded numbers to add to 100.0%.

Other	U.S.	East	West	2006	2005	Amt Chg.
Purch Service	\$5,532,534	\$2,615,600	\$2,916,934	13.2%	13.6%	-0.5%
Taxes	771,779	315,655	456,124	1.8%	1.9%	0.0%
Cas & Insurar	955,987	391,508	564,479	2.3%	2.7%	-0.4%
Loss & Dam	122,532	64,171	58,361	0.3%	0.3%	0.0%
Gen & Admn	1,070,686	430,640	640,046	2.6%	3.2%	-0.6%
Total	\$8,453,518	\$3,817,574	\$4,635,944	20.1%	21.7%	-1.6%

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Wages				
Sch 410				
620 (b)	9,893,054	3,648,868	6,244,186	0
NS Adj	545,446	545,446	0	0
Adj Wages	10,438,500	4,194,314	6,244,186	0

Wage Supplements

Sch 410				
112 (f)	364,261	182,897	181,364	0
113 (f)	50,653	4,672	45,981	0
114 (f)	130,452	62,401	68,051	0
205 (f)	229,455	84,295	145,160	0
224 (f)	165,065	53,425	111,640	0
309 (f)	9,990	6,469	3,521	0
414 (f)	1,800,651	685,094	1,115,557	0
430 (f)	522,973	255,510	267,463	0
505 (f)	2,186	1,261	925	0
512 (f)	26,827	14,373	12,454	0
522 (f)	132,302	46,425	85,877	0
611 (f)	440,787	184,754	256,033	0
Total	3,875,602	1,581,576	2,294,026	0
NS Adj	169,697	169,697	0	0
Adj Supp	4,045,299	1,751,273	2,294,026	0

Fuel

Sch. 410				
409 (c)	7,459,685	2,079,027	5,380,658	0
409 (d)	782	212	570	0
410 (c)	0	0	0	0
410 (d)	0	0	0	0
425 (c)	613,270	200,624	412,646	0
425 (d)	35	35	0	0
426 (c)	0	0	0	0
426 (d)	0	0	0	0
Total	8,073,772	2,279,898	5,793,874	0

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Materials and Supplies				
Sch. 410				
620 (c)	10,184,591	3,075,769	7,108,822	0
less				
409 (c)	7,459,685	2,079,027	5,380,658	0
410 (c)	0	0	0	0
425 (c)	613,270	200,624	412,646	0
426 (c)	0	0	0	0
Total	2,111,636	796,118	1,315,518	0
Equipment Rents				
Sch 410				
211 (f)	10,157	725	9,432	0
212 (f)	-12,510	-42	-12,468	0
230 (f)	2,318,146	923,578	1,394,568	0
231 (f)	-830,303	-403,528	-426,775	0
315 (f)	90,528	36,242	54,286	0
316 (f)	-65,006	-24,424	-40,582	0
Rents	1,511,012	532,551	978,461	0
207 (f)	805,093	101,241	703,852	0
208 (f)	-13,116	-11,900	-1,216	0
226 (f)	804,390	195,423	608,967	0
227 (f)	-21,664	-12,937	-8,727	0
311 (f)	209,651	50,558	159,093	0
312 (f)	-29,712	-27,275	-2,437	0
Lease	1,754,642	295,110	1,459,532	0
Total	3,265,654	827,661	2,437,993	0
Car Hire	0.463	0.643	0.401	
Lease Rentals	0.537	0.357	0.599	
Total	1.000	1.000	1.000	

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Purchased Services				
Sch. 410				
620 (d)	9,514,148	4,158,651	5,355,497	0
less				
112 (d)	0	0	0	0
113 (d)	0	0	0	0
114 (d)	0	0	0	0
115 (d)	0	0	0	0
116 (d)	0	0	0	0
117 (d)	0	0	0	0
136 (d)	0	0	0	0
137 (d)	0	0	0	0
138 (d)	0	0	0	0
205 (d)	0	0	0	0
206 (d)	0	0	0	0
207 (d)	805,093	101,241	703,852	0
208 (d)	-13,116	-11,900	-1,216	0
211 (d)	10,157	725	9,432	0
212 (d)	-12,510	-42	-12,468	0
213 (d)	0	0	0	0
224 (d)	0	0	0	0
225 (d)	0	0	0	0
226 (d)	804,390	195,423	608,967	0
227 (d)	-21,664	-12,937	-8,727	0
230 (d)	2,318,146	923,578	1,394,568	0
231 (d)	-830,303	-403,528	-426,775	0
232 (d)	0	0	0	0
309 (d)	0	0	0	0
310 (d)	0	0	0	0
311 (d)	209,651	50,558	159,093	0
312 (d)	-29,712	-27,275	-2,437	0
315 (d)	90,528	36,242	54,286	0
316 (d)	-65,006	-24,424	-40,582	0
317 (d)	0	0	0	0
409 (d)	782	212	570	0
410 (d)	0	0	0	0
412 (d)	0	0	0	0
414 (d)	0	0	0	0
415 (d)	0	0	0	0
425 (d)	35	35	0	0
426 (d)	0	0	0	0
428 (d)	0	0	0	0
430 (d)	0	0	0	0
431 (d)	0	0	0	0
504 (d)	0	0	0	0
505 (d)	0	0	0	0
511 (d)	0	0	0	0
512 (d)	0	0	0	0
513 (d)	0	0	0	0
522 (d)	0	0	0	0
523 (d)	0	0	0	0
611 (d)	0	0	0	0
612 (d)	0	0	0	0
614 (d)	0	0	0	0
615 (d)	0	0	0	0
Total	6,247,677	3,330,743	2,916,934	0
- NS Adj W	545,446	545,446	0	0
- NS Adj S	169,697	169,697	0	0
Adj Pur Ser	5,532,534	2,615,600	2,916,934	0

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Depreciation				
Sch. 410				
136 (f)	2,081,938	740,893	1,341,045	0
137 (f)	410,474	42,618	367,856	0
138 (f)	726,929	438,059	288,870	0
213 (f)	633,191	248,574	384,617	0
232 (f)	357,130	224,102	133,028	0
317 (f)	240,771	84,773	155,998	0
Total	4,450,433	1,779,019	2,671,414	0

Interest				
Sch. 210				
42 (b)	1,143,099	459,638	683,461	0
44 (b)	7,796	188	7,608	0
less				0
22(b)	5,210	0	5,210	0
Total	1,145,685	459,826	685,859	0
Sch. 410 (times ratio of freight to total)				
620 (f)	40,838,812	15,445,857	25,392,955	0
620 (h)	40,980,029	15,445,857	25,534,172	0
ratio (ff)		1.00000000	0.99446949	
Total	1,141,892	459,826	682,066	0

Note U S = East + West

Taxes (other than income and payroll)				
Sch. 410				
614 (f)	556,618	216,094	340,524	0
615 (f)	215,161	99,561	115,600	0
Total	771,779	315,655	456,124	0

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Other (RCR Other, portion of RCAF Other)				
Other = Casualties & Insurance + Loss & Damage + General & Administrative				
Sch. 410				
Casualties & Insurance				
115 (f)	137,117	60,818	76,299	0
116 (f)	16,642	5,915	10,727	0
117 (f)	26,029	6,522	19,507	0
206 (f)	82,964	43,977	38,987	0
225 (f)	92,599	40,242	52,357	0
310 (f)	4,858	3,652	1,206	0
415 (f)	337,774	114,774	223,000	0
431 (f)	117,832	67,608	50,224	0
513 (f)	5,354	3,187	2,167	0
523 (f)	25,408	5,148	20,260	0
612 (f)	109,410	39,665	69,745	0
Total	955,987	391,508	564,479	0
Loss & Damage				
Sch. 410				
412 (f)	4,906	2,520	2,386	0
428 (f)	-12	0	-12	0
504 (f)	117,638	61,651	55,987	0
511 (f)	0	0	0	0
Total	122,532	64,171	58,361	0
General & Administrative				
Sch. 410				
620 (e)	11,247,019	4,562,569	6,684,450	0
+NS Adj S	<u>169,697</u>	<u>169,697</u>	<u>0</u>	0
620 (e) Adj	11,416,716	4,732,266	6,684,450	0
less				
W Supp Adj	4,045,299	1,751,273	2,294,026	0
Deprec.	4,450,433	1,779,019	2,671,414	0
Taxes	771,779	315,655	456,124	0
Cas & Ins	955,987	391,508	564,479	0
Loss & D	122,532	64,171	58,361	0
(e) = (f) chk	ok			
Total G&A	1,070,686	430,640	640,046	0
Total Other	2,149,205	886,319	1,262,886	
For RCAF Other, add Purchased Services and Taxes to RCR Other				

RCR and RCAF Weights

	U.S.	East	West	US-E-W
Car Hire				
Sch.414				
19 (g)	949,776	454,546	495,230	0
less				
19 (d)	690,169	357,871	332,298	0
Time	259,607	96,675	162,932	0
18 (g)	110,554	67,984	42,570	0
less				
18 (d)	121,787	75,241	46,546	0
Time, A-Rk	-11,233	-7,257	-3,976	0
Time, XAR	270,840	103,932	166,908	0
19 (f)	302,937	120,305	182,632	0
less				
19 (c)	158,087	63,610	94,477	0
Mileage	144,850	56,695	88,155	0
18 (f)	0	0	0	0
less				
18 (c)	0	0	0	0
Mi, A-Rk	0	0	0	0
Mile, XAR	144,850	56,695	88,155	0
19 (e)	1,065,433	348,727	716,706	0
less				
19 (b)	-17,953	-17,953	0	0
Private	1,083,386	366,680	716,706	0
18 (e)	18,193	0	18,193	0
less				
18 (b)	0	0	0	0
Priv, A-Rk	18,193	0	18,193	0
Priv., XAR	1,065,193	366,680	698,513	0
Time, A-Rk	-11,233	-7,257	-3,976	0
Mi, A-Rk	0	0	0	0
Priv, A-Rk	18,193	0	18,193	0
Autorack	6,960	-7,257	14,217	0

XAR means total excluding auto racks

RCR and RCAF Internal Weights

	U.S.	East	West	U.S. 2006	East 2006	West 2006	U.S. 2005	Amt Diff
Labor								
Wages	10,438,500	4,194,314	6,244,186	72.1%	70.5%	73.1%	72.4%	-0.3%
Wage Supplem	4,045,299	1,751,273	2,294,026	27.9%	29.5%	26.9%	27.6%	0.3%
Total	14,483,799	5,945,587	8,538,212	100.0%	100.0%	100.0%	100.0%	
	ok	ok	ok					

Depreciation (RCR)

Road	3,219,341	1,221,570	1,997,771	72.4%	68.6%	74.8%	71.7%	0.7%
Locomotive	633,191	248,574	384,617	14.2%	14.0%	14.4%	14.1%	0.1%
Freight Car	357,130	224,102	133,028	8.0%	12.6%	5.0%	8.5%	-0.5%
Other Equip.	240,771	84,773	155,998	5.4%	4.8%	5.8%	5.7%	-0.3%
Total	4,450,433	1,779,019	2,671,414	100.0%	100.0%	100.0%	100.0%	
Check	ok	ok	ok					

Deprec - Other (RCR)

Locomotive	633,191	248,574	384,617	63.9%	52.6%	74.3%	62.6%	1.3%
Freight Car	357,130	224,102	133,028	36.1%	47.4%	25.7%	37.4%	-1.3%
Total	990,321	472,676	517,645	100.0%	100.0%	100.0%	100.0%	

Equip. Rents

Car Hire	1,511,012	532,551	978,461	46.3%	64.3%	40.1%	49.2%	-2.9%
Lease Rents	1,754,642	295,110	1,459,532	53.7%	35.7%	59.9%	50.8%	2.9%
Total	3,265,654	827,661	2,437,993	100.0%	100.0%	100.0%	100.0%	
Check	ok	ok	ok					

Interest (RCR)

Road	115,790,621	48,323,270	67,467,351	81.7%	78.2%	84.4%	81.0%	0.7%
Locomotive	16,164,190	7,546,313	8,617,877	11.4%	12.2%	10.8%	11.6%	-0.2%
Freight Car	9,815,141	5,947,401	3,867,740	6.9%	9.6%	4.8%	7.4%	-0.5%
Total	141,769,952	61,816,984	79,952,968	100.0%	100.0%	100.0%	100.0%	
from Sch 352B	ok	ok	ok					

Car Hire

RR Time excl Autork	270,840			18.2%			18.5%	-0.3%
RR Mileage excl Auto	144,850			9.7%			9.2%	0.5%
Private excl Autorack	1,065,193			71.6%			74.9%	-3.3%
Autorack	6,960			0.5%			-2.6%	3.1%
Total	1,487,843			100.0%			100.0%	
from Sch 414	ok							

Car Hire, Adjusted to eliminate negative numbers

RR Time excl Autork	270,840			18.2%			18.1%	0.1%
RR Mileage excl Auto	144,850			9.7%			8.9%	0.8%
Private excl Autorack	1,065,193			71.6%			73.0%	-1.4%
Autorack	6,960			0.5%			0.0%	0.5%
Total	1,487,843			100.0%			100.0%	

Note These numbers are all rounded to 3 digits after the decimal or 1 digit after the decimal for a percentage. In the event that the rounded percentages do not sum to 100.0%, the number that is closest to rounding in the other direction will be changed to force a 100.0% total. The number is identified by a bold font.

Benchmarks for Supplements 2006

Fringe Benefits (\$000)

From R-1 annual report Schedule 410, Column (h)

Line	Fringe Benefits Description	U.S.	East	West
112	Way & Structure - Running	\$368,365	\$182,897	\$185,468
113	Way & Structure - Switching	50,923	4,672	46,251
114	Way & Structure - Other	130,972	62,401	68,571
205	Equipment - Locomotives	231,091	84,295	146,796
224	Equipment - Freight Cars	165,065	53,425	111,640
309	Equipment - Other Equipment	14,370	6,469	7,901
414	Transportation - Train Operations	1,808,609	685,094	1,123,515
430	Transportation - Yard	524,127	255,510	268,617
505	Transportation - Train & Yard Common	2,186	1,261	925
512	Transportation - Specialized Service	26,827	14,373	12,454
522	Transportation - Administrative Support	134,031	46,425	87,606
611	General & Administrative	442,237	184,754	257,483
	NS Adj for Amount in Purchased Svc.	169,697	169,697	231,113
	Total Fringe Benefits	\$4,068,500	\$1,751,273	\$2,317,227

Division of Fringe Benefits (\$000)

From R-1 annual report Schedule 450 and AAR survey.

Line	Description	U.S.	East	West
Note 1	Health & Welfare	\$1,824,279	\$863,420	\$960,859
5&6	Railroad Retirement & Medicare	2,156,979	838,501	1,318,478
7	Supplemental Annuities	0	0	0
8	Unemployment Insurance	59,292	25,573	33,719
Note 2	Other Fringe Benefits	27,950	23,779	4,171

Note 1

Health & Welfare is Total Fringe Benefits less Railroad Retirement, Medicare, Supplemental Annuities, Unemployment Insurance, and Other Fringe Benefits

Note 2

Other Fringe Benefits is 401(k) matches and employer contributions to employee stock plans. Information is provided by the railroads to the AAR and used in RCAF filings each quarter. No benchmark hourly rate is needed.

Hours from 2006 112-Class Wage Statistics	U.S.	East	West
Total Straight Time Paid Hours	342,756,730	130,588,646	212,168,084

Hourly Rate Benchmarks for 2006	U.S.	East	West
Health & Welfare	\$5.322	\$6.612	\$4.529
Railroad Retirement & Medicare	\$6.293	\$6.421	\$6.214
Supplemental Annuities [not used]	\$0.000	\$0.000	\$0.000
Unemployment Insurance	\$0.173	\$0.196	\$0.159

Benchmarks for Supplements 2006 – Comparison to Prior Year

Hourly Rate Benchmarks for 2006	U.S.	East	West
Health & Welfare	\$5.322	\$6.612	\$4.529
Railroad Retirement & Medicare	\$6.293	\$6.421	\$6.214
Unemployment Insurance	\$0.173	\$0.196	\$0.159

Hourly Rate Benchmarks for 2005	U.S.	East	West
Health & Welfare	\$4.995	\$6.323	\$4.155
Railroad Retirement & Medicare	\$6.169	\$6.290	\$6.093
Unemployment Insurance	\$0.162	\$0.177	\$0.152

Amount of Difference 2006 Less 2005	U.S.	East	West
Health & Welfare	\$0.327	\$0.288	\$0.373
Railroad Retirement & Medicare	\$0.124	\$0.131	\$0.122
Unemployment Insurance	\$0.011	\$0.019	\$0.007

Percent Difference 2006 Divided By 2005	U.S.	East	West
Health & Welfare	6.5%	4.6%	9.0%
Railroad Retirement & Medicare	2.0%	2.1%	2.0%
Unemployment Insurance	7.1%	10.9%	4.5%

Possible Causes of Changes	
Health & Welfare Premiums	Higher
Change in Taxable Wages	2.0%
Railroad Retirement Tier II Tax Rate	Unchanged
Unemployment Insurance Tax Rate	Higher

Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

Page 1 of 3

		As of 12/31/2006				
	2006	ST	ST\$	Total ST\$	Total ST	ST Hourly
	ST Hrs Pd	HR	(excl ULS)	(excl ULS)	Hours	Rate
BLE ATDA	0	\$0.000	\$0.0			
BNSF ATDA	1,180,109	\$32.297	\$38,436,387.5			
CCP ATDA	0	\$0.000	\$0.0			
CSX ATDA	648,379	\$34.037	\$22,088,855.9			
DMIR ATDA	1,884	\$33.000	\$61,512.0			
DWP ATDA	7,408	\$32.650	\$241,868.0			
GTW ATDA	27,889	\$32.835	\$902,984.0			
IC ATDA	78,438	\$33.882	\$2,640,399.0			
KCS ATDA	70,551	\$31.127	\$2,196,050.8			
NS ATDA	875,647	\$27.216	\$23,831,489.0			
SOO ATDA	84,815	\$29.513	\$2,497,209.1			
SSAW ATDA	0	0	\$0.0			
UP ATDA	1,302,414	\$32.889	\$42,835,668.0			
WC ATDA	81,791	\$41.834	\$2,584,958.0			
zNat'l ATDA	0	\$0.000	\$0.0	\$138,297,341.3	4,348,885.0	\$31.80064
BLE BLET	18,849	\$25.699	\$510,097.0			
BNSF BLET	19,938,812	\$15.980	\$318,609,271.1			
CCP BLET	103,045	\$27.737	\$2,858,182.0			
CSX BLET	11,308,000	\$23.053	\$260,635,063.0			
DMIR BLET	85,589	\$23.984	\$1,573,098.9			
DWP BLET	70,831	\$33.193	\$2,354,414.0			
GTW BLET	404,581	\$33.549	\$13,572,782.8			
IC BLET	929,604	\$28.329	\$26,334,711.0			
NS BLET	9,887,735	\$23.991	\$237,215,418.0			
SOO BLET	1,082,091	\$21.548	\$23,317,041.5			
SSAW BLET	11,440	\$24.843	\$284,209.0			
WC BLET	555,994	\$25.421	\$14,133,799.0			
zNat'l BLET	23,117,077	\$24.590	\$568,456,330.4	\$1,469,854,397.7	67,492,528.0	\$21.77803
BLE BMWE	60,177	\$19.617	\$1,180,503.0			
CCP BMWE	169,816	\$20.585	\$3,491,493.0			
DMIR BMWE	0	\$0.000	0.0			
DWP BMWE	0	\$0.000	0.0			
GTW BMWE	398,876	\$19.844	\$7,875,587.0			
IC BMWE	968,041	\$20.445	\$19,791,723.2			
SOO BMWE	895,048	\$19.112	\$17,108,294.2			
SSAW BMWE	79,255	\$18.091	\$1,433,768.1			
WC BMWE	958,927	\$20.144	\$19,316,525.6			
zNat'l BMWE	42,845,117	\$19.999	\$856,857,614.6	\$927,053,508.8	48,373,055.0	\$19.99121
BLE BRS	9,470	\$22.384	\$211,977.0			
CCP BRS	29,817	\$23.608	\$703,906.0			
DMIR BRS	0	\$0.000	0.0			
DWP BRS	13,238	\$26.534	\$351,252.3			
GTW BRS	99,976	\$23.191	\$2,318,590.9			
IC BRS	219,329	\$23.574	\$5,170,410.6			
SOO BRS	103,951	\$21.701	\$2,255,851.8			
SSAW BRS	0	\$0.000	0.0			
WC BRS	116,174	\$26.969	\$3,133,088.0			
zNat'l BRS	10,890,175	\$23.089	\$251,441,181.0	\$265,586,257.6	11,482,130.0	\$23.13040
BLE IAM	9,520	\$20.984	\$199,765.2			
CCP IAM	7,175	\$20.154	\$144,605.9			
DMIR IAM	42,889	\$21.983	\$944,164.0			
DWP IAM	3,824	\$22.554	\$81,737.3			
GTW IAM	18,086	\$22.582	\$408,427.0			
IC IAM	272,563	\$22.291	\$6,075,733.6			
SOO IAM	167,905	\$21.602	\$3,627,158.5			
SSAW IAM	0	0	0.0			
WC IAM	49,098	\$17.585	\$863,400.8			
zNat'l IAM	12,055,713	\$21.675	\$261,303,390.6	\$273,648,382.8	12,626,673.0	\$21.67225

Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

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		As of 12/31/2006				
		2006	ST	ST\$	Total ST\$	Total ST
		ST Hrs Pd	HR	(excl ULS)	(excl ULS)	Hours
						ST Hourly Rate
BLE	IBBM	0	\$0.000	0.0		
CCP	IBBM	2,102	\$18 510	38,908.0		
DMIR	IBBM	1,796	\$21.604	38,801.0		
DWP	IBBM	0	\$0.000	0.0		
GTW	IBBM	0	\$0.000	0.0		
IC	IBBM	56,450	\$21.416	1,208,951.1		
SOO	IBBM	62,834	\$24 475	1,537,835.2		
SSAW	IBBM	0	0	0.0		
WC	IBBM	0	\$0.000	0.0		
zNat'l	IBBM	1,908,988	\$19 489	37,204,377.9	\$40,028,873 2	2,032,168.0
BLE	IBEW	10,738	\$22 293	239,382.7		
CCP	IBEW	11,365	\$23.235	264,067.0		
DMIR	IBEW	66,329	\$23.507	1,559,177.0		
DWP	IBEW	3,512	\$29.933	105,123 9		
GTW	IBEW	34,688	\$24.487	849,416.0		
IC	IBEW	188,236	\$22.397	4,215,941.2		
SOO	IBEW	105,975	\$21.844	2,314,970.9		
SSAW	IBEW	4,912	\$22.587	110,948.0		
WC	IBEW	32,667	\$24.817	810,681.0		
zNat'l	IBEW	8,920,750	\$22 201	198,047,023.8	\$208,516,729 4	9,379,172 0
BLE	NCFO	2,318	\$19.304	44,709.1		
CCP	NCFO	0	\$0.000	0.0		
DMIR	NCFO	0	\$0.000	0.0		
DWP	NCFO	0	\$0.000	0.0		
GTW	NCFO	33,515	\$18.883	632,860.4		
IC	NCFO	80,868	\$19.457	1,573,445 3		
SOO	NCFO	65,814	\$18.018	1,185,815.1		
SSAW	NCFO	0	0	0.0		
WC	NCFO	0	0	0.0		
zNat'l	NCFO	4,230,876	\$17.731	75,017,174.4	\$78,454,004 2	4,413,389 0
zNat'l	OTHER	49,258,229	\$41.118	2,025,403,900 0	\$2,025,403,900.0	49,258,229
BLE	SMW	0	\$0.000	0.0		
CCP	SMW	0	\$0 000	0.0		
DMIR	SMW	3,903	\$22 013	85,916 2		
DWP	SMW	0	\$0.000	0.0		
GTW	SMW	0	\$0.000	0.0		
IC	SMW	34,456	\$22 095	761,308 3		
SOO	SMW	3,335	\$21 060	70,236 7		
SSAW	SMW	0	0	0.0		
WC	SMW	0	0	0.0		
zNat'l	SMW	1,877,382	\$21.650	40,645,140.9	\$41,562,602 1	1,919,076.0
BLE	TCU	14,996	\$22.601	338,929.0		
CCP	TCU	13,897	\$23 210	317,909.5		
DMIR	TCU	123,299	\$21 336	2,630,646 5		
DWP	TCU	27,467	\$23.305	640,118 0		
GTW	TCU	278,751	\$22.386	6,240,099 0		
IC	TCU	490,759	\$23.363	11,485,587.8		
SOO	TCU	476,069	\$22 483	10,703,481.3		
SSAW	TCU	0	0	0.0		
WC	TCU	122,443	\$25 638	3,139,227 0		
zNat'l	TCU	14,358,618	\$22 049	316,594,449.1	\$352,070,447.2	15,906,099.0
BLE	TCU-CAR	25,968	\$22 286	578,722.8		
CCP	TCU-CAR	24,519	\$22.431	549,990 6		
DMIR	TCU-CAR	54,605	\$21 864	1,193,903.0		
DWP	TCU-CAR	19,906	\$21.081	419,848.0		
GTW	TCU-CAR	216,261	\$20.745	4,486,306.0		
IC	TCU-CAR	520,782	\$21.815	11,360,987.9		
SOO	TCU-CAR	288,799	\$21 002	6,065,334 0		

Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

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		As of 12/31/2006				
	2006	ST	ST\$	Total ST\$	Total ST	ST Hourly
	ST Hrs Pd	HR	(excl ULS)	(excl ULS)	Hours	Rate
SSAW TCU-CAR	0	\$0 000	0.0			
WC TCU-CAR	322,127	\$15.607	5,027,387.4			
zNat'l TCU-CAR	18,733,396	\$21.511	402,974,257.0	\$432,656,536.7	20,206,363.0	\$21.41190
BLE UTU	35,370	\$23.050	815,282.0			
CCP UTU	133,469	\$24.218	3,232,383.0			
DMIR UTU	115,497	\$20.873	2,410,799.5			
DWP UTU	79,324	\$29.739	2,359,034.0			
GTW UTU	542,896	\$30.865	16,847,972.0			
IC UTU	1,429,842	\$24.291	34,732,389.0			
SOO UTU	1,313,537	\$18.332	24,079,859.7			
SSAW UTU	14,355	\$26.001	373,247.0			
WC UTU	639,019	\$25.672	16,405,140.0			
zNat'l UTU	89,005,801	\$20.086	1,787,753,261.0	\$1,888,809,167.2	93,309,110.0	\$20.24249
BLE UTU-YMD	0	\$0.000	0.0			
CCP UTU-YMD	0	\$0.000	0.0			
CSX UTU-YMD	1,122,484	\$24.763	27,795,867.4			
DMIR UTU-YMD	0	\$0 000	0 0			
DWP UTU-YMD	0	\$0.000	0 0			
GTW UTU-YMD	63,775	\$27.734	1,768,750.0			
IC UTU-YMD	81,254	\$29.500	2,397,025.0			
SOO UTU-YMD	79,967	\$27.985	2,237,895.8			
SSAW UTU-YMD	0	0	0.0			
UP UTU-YMD	896,832	\$31.708	28,438,454.2			
WC UTU-YMD	42,136	\$30.239	1,274,139.0			
zNat'l UTU-YMD	1,723,405	\$26.956	46,456,665.0	\$110,366,796.4	4,009,853.0	\$27.52390
Sum	342,756,730	\$2,633.706	8,252,308,944.562	8,252,308,944.562	342,756,730.0	332.16670
Total	342,756,730	\$2,633.853				

Calculations To Get Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

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Type	2006				(Check by Calculating)				Increases During Year			Full Float		Check Avg.	Diff.
	ST Hrs Pd	2006 Avg.			ST-UnionLS	PFTNW	During Year			12/31/2005	1/1/2006				
		ST-JLS	PFTNW	2006			Q1	Q1	Q3			Q3			
Group 1 - National Agreements															
1	1	0	0 000	0 000	0	0	COLA	COLA	COLA	\$0 000	\$0 000	\$0 000	0 000	0 000	
1	1	23,117,077	24,585	5 764	588,340,745	193,237,854	\$0 31	\$0 01		\$24,270	\$24 590	\$24 590	24 585	0 000	
1	1	42,845,117	19,994	3 635	856,843,389	155,739,780	\$0 19	\$0 01		\$19 789	\$19 989	\$19 989	19 994	0 000	
1	1	10,890,175	23 089	5 031	251,441,181	54,790,862				\$23 089	\$23 089	\$23 089	23 089	0 000	
1	1	12,055,713	21 870	4 109	261,243,112	49,532,050				\$21 865	\$21 685	\$21 675	21 870	0 000	
1	1	1,908,988	19 484	2 915	37,194,833	5,804,563	\$0 31	\$0 01		\$19 169	\$19 479	\$19 489	19 484	0 000	
1	1	8,920,750	22 196	4 097	198,002,420	36,549,265	\$0 31	\$0 01		\$21 881	\$22 191	\$22 201	22 196	0 000	
1	1	4,230,876	17 726	3 121	74,998,020	13,203,016	\$0 31	\$0 01		\$17 411	\$17 721	\$17 731	17 726	0 000	
1	1	1,877,382	21 845	4 045	40,635,754	7,594,455	\$0 31	\$0 01		\$21 330	\$21 840	\$21 650	21 845	0 000	
1	1	14,358,618	22,044	5 158	316,522,656	74,059,981	\$0 31	\$0 01		\$21 728	\$22,039	\$22,049	22 044	0 000	
1	1	18,733,396	21 508	3 830	402,880,590	71,748,284	\$0 31	\$0 01		\$21 191	\$21 501	\$21 511	21 508	0 000	
1	1	89,005,801	20 081	8 185	1,787,308,232	728,507,178	\$0 31	\$0 01		\$19 766	\$20 076	\$20 086	20 081	0 000	
1	1	1,723,405	26 951	6 671	46,448,048	11,497,829	\$0 31	\$0 01		\$26,836	\$26,846	\$26 858	26 951	0 000	
Group 2 - Dispatchers															
2	2	1,190,109	32 292	9 868	38,430,417	11,863,244	\$0 31	\$0 01		\$31 977	\$32 267	\$32 297	32 292	0 000	
2	2	648,379	39 687	15 894	21,841,899	10,305,476				\$33 337	\$33 337	\$34 037	33 687	0 000	
2	2	70,551	31 122	7 775	2,195,698	548,586	\$0 31	\$0 01	2.10%	\$30 807	\$31 117	\$31 127	31 122	0 000	
2	2	875,847	27 216	4 415	23,831,469	3,865,860				\$27 216	\$27 216	\$27 216	27 216	0 000	
Group 3 - CHGTC															
3	3	0	0 000	0 000	0	0	\$0 15	\$0 01		\$0 000	\$0 000	\$0 000	0 000	0 000	
3	3	0	0 000	0 000	0	0	\$0 15	\$0 01		\$0 000	\$0 000	\$0 000	0 000	0 000	
3	3	1,864	33 000	3 824	61,512	7,128	\$0 15	\$0 01		\$32 850	\$33 000	\$33 000	33 000	0 000	
3	3	7 408	32 650	4 480	241,988	33,187				\$32 650	\$32 650	\$32 650	32 650	0 000	
3	3	27,669	32 635	21,197	902,984	586,497				\$32 635	\$32 635	\$32 635	32 635	0 000	
3	3	78,438	33 682	3 480	2,640,389	272,978	\$0 15	\$0 01		\$33 512	\$33 682	\$33 682	33 682	0 000	
3	3	0	0 000	0 000	0	0	\$0 15	\$0 01		\$0 000	\$0 000	\$0 000	0 000	0 000	
3	3	61,791	41 834	3 261	2,584,958	201,476	\$0 15	\$0 01		\$41 834	\$41 834	\$41 834	41 834	0 000	
3	3	19,848	25 699	7 056	510,097	140,103	\$0 15	\$0 01		\$25 549	\$25 699	\$25 699	25 699	0 000	
3	3	103,045	27 737	7 191	2,858,162	740,986				\$27 737	\$27 737	\$27 737	27 737	0 000	
3	3	65,589	23 979	16 803	1,572,771	1,102,088	\$0 31	\$0 01		\$23 664	\$23 974	\$23 984	23 979	0 000	
3	3	70,931	33 193	6 454	2,354,414	457,763				\$33 183	\$33 183	\$33 183	33 183	0 000	
3	3	404,561	33 544	9 543	13,570,760	3,860,768	\$0 31	\$0 01		\$33 228	\$33 539	\$33 549	33 544	0 000	
3	3	929,604	28 329	6 070	26,334,711	5,643,025				\$28 329	\$28 329	\$28 329	28 329	0 000	
3	3	11,440	24 843	7 002	284,209	80,103				\$24 843	\$24 843	\$24 843	24 843	0 000	

Type	ST Hrs Pd	Full Float		(Check by Calculating)		Increases During Year				Straight Time Hourly Rate		Check	
		2006 Avg.		2006		Q1 Q2 Q3 Q4				12/31/2006		Avg.	
		ST Hrs Pd	PFTNW	ST-UnionLS	PFTNW	Q1	Q2	Q3	Q4	12/31/2006	1/1/2006	25.421	Diff.
3	WC BLET	555,994	25,421	14,133,799	3,841,863					\$25,421	\$25,421	25,421	0.000
3	BLE BMWE	60,177	19,617	1,180,503	178,114	\$0.15				\$19,617	\$19,617	19,617	0.000
3	CCP BMWE	169,816	20,585	3,491,493	460,386	\$0.15				\$20,585	\$20,585	20,585	0.000
3	DMIR BMWE	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	DWP BMWE	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	GTW BMWE	396,876	19,844	7,875,597	1,211,383					\$19,844	\$19,844	19,844	0.000
3	IC BMWE	968,041	20,440	19,788,883	2,302,357	\$0.31		\$0.01		\$20,440	\$20,440	20,440	0.000
3	SSAM BMWE	78,255	17,827	1,412,888	182,839					\$17,827	\$17,827	17,827	0.000
3	WC BMWE	958,927	19,851	19,035,217	2,880,798					\$19,851	\$19,851	19,851	0.000
3	BLE BRS	9,470	22,384	211,977	30,566					\$22,384	\$22,384	22,384	0.000
3	CCP BRS	29,817	23,608	703,806	85,250	\$0.15				\$23,608	\$23,608	23,608	0.000
3	DMIR BRS	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	DWP BRS	13,238	26,147	346,137	61,052					\$26,147	\$26,147	26,147	0.000
3	GTW BRS	99,978	22,854	2,284,825	312,195					\$22,854	\$22,854	22,854	0.000
3	IC BRS	219,329	23,569	5,169,314	704,956	\$0.31		\$0.01		\$23,569	\$23,569	23,569	0.000
3	SSAM BRS	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	WC BRS	116,174	26,969	3,133,088	417,841					\$26,969	\$26,969	26,969	0.000
3	BLE IAM	9,520	20,878	196,858	32,789					\$20,878	\$20,878	20,878	0.000
3	CCP IAM	7,175	19,881	142,500	31,369					\$19,881	\$19,881	19,881	0.000
3	DMIR IAM	42,989	21,843	930,414	168,719					\$21,843	\$21,843	21,843	0.000
3	DWP IAM	3,824	22,228	80,547	16,029					\$22,228	\$22,228	22,228	0.000
3	GTW IAM	18,066	22,254	402,479	84,487					\$22,254	\$22,254	22,254	0.000
3	IC IAM	272,563	21,986	5,887,252	790,360					\$21,986	\$21,986	21,986	0.000
3	SSAM IAM	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	WC IAM	49,098	17,328	850,827	125,361					\$17,328	\$17,328	17,328	0.000
3	BLE IBBM	0	0.000	0	0	\$0.31		\$0.01		\$0.000	\$0.000	0.000	0.000
3	CCP IBBM	2,102	18,510	38,908	2,073	\$0.15				\$18,510	\$18,510	18,510	0.000
3	DMIR IBBM	1,796	21,599	38,792	10,778	\$0.31		\$0.01		\$21,599	\$21,599	21,599	0.000
3	DWP IBBM	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	GTW IBBM	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	IC IBBM	55,450	21,104	1,191,345	110,927					\$21,104	\$21,104	21,104	0.000
3	SSAM IBBM	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	WC IBBM	0	0.000	0	0					\$0.000	\$0.000	0.000	0.000
3	BLE IBEW	10,738	22,286	239,328	37,492	\$0.31		\$0.01		\$22,286	\$22,286	22,286	0.000
3	CCP IBEW	11,365	23,235	264,087	56,175					\$23,235	\$23,235	23,235	0.000
3	DMIR IBEW	66,328	23,507	1,559,177	211,150	\$0.15				\$23,507	\$23,507	23,507	0.000
3	DWP IBEW	3,512	29,497	103,593	21,056					\$29,497	\$29,497	29,497	0.000
3	GTW IBEW	34,888	24,487	849,416	118,559					\$24,487	\$24,487	24,487	0.000
3	IC IBEW	188,236	22,392	4,215,000	818,487	\$0.31		\$0.01		\$22,392	\$22,392	22,392	0.000
3	SSAM IBEW	4,912	22,587	110,946	4,706					\$22,587	\$22,587	22,587	0.000

Calculations To Get Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

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Type	2006				(Check by Calculating)				Increase During Year				Full Float				Straight Time Hourly Rate				Check	
	Full Float				2006				Q1 Q2 Q3 Q4				12/31/2005				1/1/2006				Avg.	
	ST Hrs Pd	ST-JLS	PFTNW	PFTNW	ST-UnionLS	PFTNW	PFTNW	Q1	Q2	Q3	Q4	12/31/2005	1/1/2006	12/31/2006	12/31/2006	12/31/2006	1/1/2006	12/31/2006	12/31/2006	12/31/2006	12/31/2006	Diff.
3 WC IBEW	32,667	24,817	3,220	3,220	810,681	105,183	105,183	\$0.15				\$24,667	\$24,817	\$24,817	\$24,817	\$24,817	\$24,817	\$24,817	\$24,817	\$24,817	24,817	0.000
3 BLE NCFO	2,316	19,023	2,998	2,998	44,056	6,944	6,944					\$18,742	\$18,742	\$18,742	\$18,742	\$18,742	\$18,742	\$18,742	\$18,742	\$18,742	19,023	0.000
3 CCP NCFO	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 DMIR NCFO	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 DWP NCFO	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 GTW NCFO	33,515	18,808	3,186	3,186	623,844	108,795	108,795					\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	\$18,333	18,608	0.000
3 IC NCFO	80,868	19,174	1,668	1,668	1,550,531	134,876	134,876					\$18,890	\$18,890	\$18,890	\$18,890	\$18,890	\$18,890	\$18,890	\$18,890	\$18,890	19,174	0.000
3 SSAM NCFO	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 WC NCFO	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 BLE SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 CCP SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 DMIR SMW	3,903	21,692	6,714	6,714	84,865	26,206	26,206					\$21,372	\$21,372	\$21,372	\$21,372	\$21,372	\$21,372	\$21,372	\$21,372	\$21,372	21,692	0.000
3 DWP SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 GTW SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 IC SMW	34,456	22,090	2,706	2,706	761,136	83,225	83,225					\$21,775	\$21,775	\$21,775	\$21,775	\$21,775	\$21,775	\$21,775	\$21,775	\$21,775	22,090	0.000
3 SSAM SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 WC SMW	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 BLE TCU	14,986	22,596	3,750	3,750	338,854	58,229	58,229					\$22,281	\$22,281	\$22,281	\$22,281	\$22,281	\$22,281	\$22,281	\$22,281	\$22,281	22,596	0.000
3 CCP TCU	13,697	23,205	6,733	6,733	317,841	92,225	92,225					\$22,890	\$22,890	\$22,890	\$22,890	\$22,890	\$22,890	\$22,890	\$22,890	\$22,890	23,205	0.000
3 DMIR TCU	123,298	21,331	3,747	3,747	2,630,030	462,025	462,025					\$21,016	\$21,016	\$21,016	\$21,016	\$21,016	\$21,016	\$21,016	\$21,016	\$21,016	21,331	0.000
3 DWP TCU	27,467	23,305	5,369	5,369	640,118	147,461	147,461					\$23,305	\$23,305	\$23,305	\$23,305	\$23,305	\$23,305	\$23,305	\$23,305	\$23,305	23,305	0.000
3 GTW TCU	278,751	22,386	5,565	5,565	6,240,099	1,551,255	1,551,255					\$22,386	\$22,386	\$22,386	\$22,386	\$22,386	\$22,386	\$22,386	\$22,386	\$22,386	22,386	0.000
3 IC TCU	490,759	23,358	3,734	3,734	11,463,134	1,832,386	1,832,386					\$23,043	\$23,043	\$23,043	\$23,043	\$23,043	\$23,043	\$23,043	\$23,043	\$23,043	23,358	0.000
3 SSAM TCU	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 WC TCU	122,443	25,638	3,396	3,396	3,139,227	408,416	408,416					\$25,488	\$25,488	\$25,488	\$25,488	\$25,488	\$25,488	\$25,488	\$25,488	\$25,488	25,638	0.000
3 BLE TCU-CAR	25,988	22,281	4,236	4,236	578,593	110,012	110,012					\$21,986	\$21,986	\$21,986	\$21,986	\$21,986	\$21,986	\$21,986	\$21,986	\$21,986	22,281	0.000
3 CCP TCU-CAR	24,519	22,105	4,553	4,553	541,981	111,833	111,833					\$21,778	\$21,778	\$21,778	\$21,778	\$21,778	\$21,778	\$21,778	\$21,778	\$21,778	22,105	0.000
3 DMIR TCU-CAR	54,505	21,859	3,210	3,210	1,193,830	175,274	175,274					\$21,544	\$21,544	\$21,544	\$21,544	\$21,544	\$21,544	\$21,544	\$21,544	\$21,544	21,859	0.000
3 DWP TCU-CAR	19,908	21,081	3,339	3,339	419,848	68,463	68,463					\$21,081	\$21,081	\$21,081	\$21,081	\$21,081	\$21,081	\$21,081	\$21,081	\$21,081	21,081	0.000
3 GTW TCU-CAR	216,261	20,745	4,003	4,003	4,486,306	965,775	965,775					\$20,745	\$20,745	\$20,745	\$20,745	\$20,745	\$20,745	\$20,745	\$20,745	\$20,745	20,745	0.000
3 IC TCU-CAR	520,782	21,810	2,667	2,667	11,358,384	1,989,039	1,989,039					\$21,495	\$21,495	\$21,495	\$21,495	\$21,495	\$21,495	\$21,495	\$21,495	\$21,495	21,810	0.000
3 SSAM TCU-CAR	0	0.000	0.000	0.000	0	0	0					\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000	0.000
3 WC TCU-CAR	322,127	15,380	2,060	2,060	4,854,173	663,613	663,613					\$15,152	\$15,152	\$15,152	\$15,152	\$15,152	\$15,152	\$15,152	\$15,152	\$15,152	15,380	0.000
3 BLE UTU	35,370	23,050	6,574	6,574	815,282	232,534	232,534					\$22,740	\$22,740	\$22,740	\$22,740	\$22,740	\$22,740	\$22,740	\$22,740	\$22,740	23,050	0.000
3 CCP UTU	139,469	24,218	6,931	6,931	3,232,383	925,127	925,127					\$24,218	\$24,218	\$24,218	\$24,218	\$24,218	\$24,218	\$24,218	\$24,218	\$24,218	24,218	0.000
3 DMIR UTU	115,497	20,868	12,961	12,961	2,410,222	1,498,944	1,498,944					\$20,553	\$20,553	\$20,553	\$20,553	\$20,553	\$20,553	\$20,553	\$20,553	\$20,553	20,868	0.000
3 DWP UTU	79,324	29,739	8,792	8,792	2,359,034	687,451	687,451					\$28,739	\$28,739	\$28,739	\$28,739	\$28,739	\$28,739	\$28,739	\$28,739	\$28,739	29,739	0.000
3 GTW UTU	542,886	30,291	10,128	10,128	16,444,948	5,498,205	5,498,205					\$28,817	\$28,817	\$28,817	\$28,817	\$28,817	\$28,817	\$28,817	\$28,817	\$28,817	30,291	0.000
3 IC UTU	1,429,842	24,291	5,335	5,335	34,732,369	7,628,645	7,628,645					\$24,291	\$24,291	\$24,291	\$24,291	\$24,291	\$24,291	\$24,291	\$24,291	\$24,291	24,291	0.000
3 SSAM UTU	14,355	28,001	4,349	4,349	373,247	62,423	62,423					\$26,001	\$26,001	\$26,001	\$26,001	\$26,001	\$26,001	\$26,001	\$26,001	\$26,001	28,001	0.000

Calculations To Get Year-End 2006 ST Hourly Rates for U.S. (Highly Confidential)

F 4 of 4

Type		Full Float		(Check by Calculating)		Increases During Year			Straight Time Hourly Rate			Check	
		2006		2006		Q1 Q1 Q3			12/31/2005 1/1/2006 12/31/2006			Avg. Diff.	
		ST Hrs Pd	ST-JULS	ST-UnionLs	PFTNW	Q1	Q1	Q3	12/31/2005	1/1/2006	12/31/2006	Avg.	Diff.
3	WC UTU	639,019	25,672	16,405,140	3,804,313				\$25,672	\$25,672	\$25,672	25,672	0.000
3	BLE UTU-YMD	0	0.000	0	0	\$0.16			\$0.000	\$0.000	\$0.000	0.000	0.000
3	CGP UTU-YMD	0	0.000	0	0	\$0.15			\$0.000	\$0.000	\$0.000	0.000	0.000
3	EXR UTU-YMD	0	0.000	0	0	\$0.31		\$0.01	\$0.000	\$0.000	\$0.000	0.000	0.000
3	DWP UTU-YMD	0	0.000	0	0	\$0.15			\$0.000	\$0.000	\$0.000	0.000	0.000
3	QW UTU-YMD	63,775	27,734	1,768,750	574,257		3.00%		\$26,928	\$27,734	\$27,734	27,734	0.000
3	IC UTU-YMD	81,254	29,500	2,397,025	787,449	\$0.15			\$29,350	\$29,500	\$29,500	29,500	0.000
3	SSAM UTU-YMD	0	0.000	0	0	\$0.15			\$0.000	\$0.000	\$0.000	0.000	0.000
3	WC UTU-YMD	42,136	30,239	1,274,139	88,409	\$0.15			\$30,089	\$30,239	\$30,239	30,239	0.000
Group 4 - SOO Line													
4	SOO ATDA	84,615	29,508	2,498,786	505,880				\$29,503	\$29,503	\$29,513	29,508	0.000
4	SOO BLET	1,082,091	21,543	23,311,831	7,836,311	\$0.31			\$21,228	\$21,538	\$21,548	21,543	0.000
4	SOO BMWE	885,046	19,107	17,101,819	2,978,819	\$0.19			\$18,912	\$19,102	\$19,112	19,107	0.000
4	SOO BRS	103,951	21,696	2,255,332	388,958	\$0.31			\$21,381	\$21,691	\$21,701	21,696	0.000
4	SOO IAM	167,805	21,597	3,626,319	550,938	\$0.31			\$21,282	\$21,592	\$21,602	21,597	0.000
4	SOO IBEM	62,834	24,470	1,537,521	297,338	\$0.31			\$24,155	\$24,465	\$24,475	24,470	0.000
4	SOO IBEW	105,975	21,839	2,314,441	308,808	\$0.31			\$21,524	\$21,834	\$21,844	21,839	0.000
4	SOO NCFO	65,814	18,013	1,185,486	154,369	\$0.31			\$17,698	\$18,008	\$18,018	18,013	0.000
4	SOO SMW	3,395	21,055	70,220	14,854	\$0.31			\$20,740	\$21,050	\$21,060	21,055	0.000
4	SOO TCU	478,089	22,478	10,701,101	2,111,947	\$0.31			\$22,163	\$22,473	\$22,483	22,478	0.000
4	SOO TCU-CAR	288,789	20,997	6,063,890	1,152,765	\$0.31			\$20,682	\$20,992	\$21,002	20,997	0.000
4	SOO UTU	1,313,537	18,327	24,073,092	12,865,831	\$0.31			\$18,012	\$18,322	\$18,332	18,327	0.000
4	SOO UTU-YMD	79,967	27,980	2,237,496	450,069	\$0.31			\$27,685	\$27,975	\$27,985	27,980	0.000
Group 5 - Miscellaneous													
5	BNSF BLET	19,938,612	15,975	318,509,578	246,591,902	\$0.31			\$15,660	\$15,970	\$15,980	15,975	0.000
5	CSX BLET	11,306,000	23,046	280,578,533	116,106,882	\$0.31			\$22,733	\$23,043	\$23,053	23,046	0.000
5	CSX UTU-YMD	1,122,484	24,758	27,780,255	12,083,118	\$0.31			\$24,443	\$24,753	\$24,763	24,758	0.000
5	NS BLET	9,887,735	23,891	237,215,418	67,959,612	\$0.31			\$23,991	\$23,891	\$23,991	23,891	0.000
5	UP ATDA	1,302,414	32,889	42,835,668	97,928	\$0.15			\$32,739	\$32,889	\$32,889	32,889	0.000
5	UP UTU-YMD	896,832	31,703	28,431,970	3,233,832	\$0.31			\$31,388	\$31,698	\$31,708	31,703	0.000
5	UP OTHER	49,258,229	41,118	2,025,403,900	69,439,132	\$0.15			\$40,968	\$41,118	\$41,118	41,118	0.000
Check Sum		342,756,730	2,628,85	8,249,970,121	1,971,752,441				2,602,930	2,619,998	2,633,706	2,626,882	0.000
Total		324,756,730		8,249,970,121	1,971,752,441				(these are merely check sums)				

Railroad Retirement and Medicare

RRB 2005 Stats plus WS 2006 Stats

Empl Rcvg Pay 175,772 AAR's 2006 112-Class Summary

Tier I Maximum \$94,200 from RRB for 2006

Tier II Maximum \$69,900 from RRB for 2006

Medicare Max. no limit

Tier I Tax Rate 6.20%

Tier II Tax Rate 12.60% from RRB for 2006

Medicare Rate 1.45%

ST+PFTNW

(Informational only)

USA	Rate	Factor	RR Ret Tax
2005	\$28.884		
2006	\$29.465	1.02011	\$539,939,652

Hourly Rate

6.293

Hourly rate from SUPPL2006

RCR U.S. - Annual

Railroad Retirement and Medicare, USA for RCR Preliminary Annual

Annual Earnings Groups	Percent of Total Employees	2006 Employees	2006 Receiving Pay	Avg Annual Earnings	Est Avg Ann Earnings	Avg Qtrly Earnings	Tier I Taxable	Tier II Taxable	Medicare Taxable	Tier I Tot Tax Emgs	Tier II Tot Tax Emg	Medicare Tot Tax Emg
	(a)	'06 emp * '05 %		(a)	avg ann * factor		2006	2006	2006	2006	2006	2006
\$0 - 21699	0.423	744	\$9,150	\$9,334	\$2,334	2,334	\$2,334	\$2,334	\$2,334	\$1,735,003	\$1,735,003	\$1,735,003
21700 - 23699	0.188	330	\$22,323	\$22,772	5,693	5,693	5,693	5,693	5,693	1,881,262	1,881,262	1,881,262
23700 - 25699	0.094	165	\$24,829	\$25,328	6,332	6,332	6,332	6,332	6,332	1,046,227	1,046,227	1,046,227
25700 - 27699	0.329	578	\$26,682	\$27,219	6,805	6,805	6,805	6,805	6,805	3,935,076	3,935,076	3,935,076
27700 - 29699	0.235	413	\$28,513	\$29,087	7,272	7,272	7,272	7,272	7,272	3,003,652	3,003,652	3,003,652
29700 - 31699	0.611	1,074	\$30,717	\$31,335	7,834	7,834	7,834	7,834	7,834	8,413,154	8,413,154	8,413,154
31700 - 33699	0.611	1,074	\$32,717	\$33,375	8,344	8,344	8,344	8,344	8,344	8,960,938	8,960,938	8,960,938
33700 - 35699	0.517	909	\$34,794	\$35,494	8,873	8,873	8,873	8,873	8,873	8,063,688	8,063,688	8,063,688
35700 - 37699	1.175	2,065	\$36,904	\$37,646	9,412	9,412	9,412	9,412	9,412	19,437,935	19,437,935	19,437,935
37700 - 39699	1.598	2,809	\$38,752	\$39,531	9,883	9,883	9,883	9,883	9,883	27,759,377	27,759,377	27,759,377
39700 - 41699	2.303	4,048	\$40,698	\$41,517	10,379	10,379	10,379	10,379	10,379	42,015,140	42,015,140	42,015,140
41700 - 43699	4.417	7,764	\$42,853	\$43,715	10,929	10,929	10,929	10,929	10,929	84,849,139	84,849,139	84,849,139
43700 - 45699	5.310	9,333	\$44,823	\$45,521	11,380	11,380	11,380	11,380	11,380	106,216,527	106,216,527	106,216,527
45700 - 47699	4.981	8,755	\$46,625	\$47,583	11,891	11,891	11,891	11,891	11,891	104,105,628	104,105,628	104,105,628
47700 - 49699	6.158	10,821	\$48,637	\$49,615	12,404	12,404	12,404	12,404	12,404	134,215,972	134,215,972	134,215,972
49700 - 51699	4.981	8,755	\$50,733	\$51,753	12,938	12,938	12,938	12,938	12,938	113,278,085	113,278,085	113,278,085
51700 - 53699	3.994	7,020	\$52,561	\$53,618	13,405	13,405	13,405	13,405	13,405	94,104,522	94,104,522	94,104,522
53700 - 55699	4.323	7,599	\$54,669	\$55,769	13,942	13,942	13,942	13,942	13,942	105,941,271	105,941,271	105,941,271
55700 - 57699	4.370	7,681	\$56,770	\$57,912	14,478	14,478	14,478	14,478	14,478	111,208,797	111,208,797	111,208,797
57700 - 59699	3.900	6,855	\$58,651	\$59,831	14,958	14,958	14,958	14,958	14,958	102,536,583	102,536,583	102,536,583
59700 - 61699	3.759	6,607	\$60,754	\$61,976	15,494	15,494	15,494	15,494	15,494	102,373,138	102,373,138	102,373,138
61700 - 63699	3.571	6,277	\$62,678	\$63,939	15,985	15,985	15,985	15,985	15,985	100,332,999	100,332,999	100,332,999
63700 - 65699	3.242	5,699	\$64,735	\$66,037	16,509	16,509	16,509	16,509	16,509	94,078,628	94,078,628	94,078,628
65700 - 67699	3.947	6,938	\$66,647	\$67,968	16,997	16,997	16,997	16,997	16,997	117,919,748	117,919,748	117,919,748
67700 - 69699	3.242	5,699	\$68,593	\$69,973	17,493	17,493	17,493	17,493	17,493	99,885,415	99,885,415	99,885,415
69700 - 71699	2.444	4,286	\$70,607	\$72,027	18,007	18,007	18,007	18,007	18,007	77,354,890	77,354,890	77,354,890
71700 - 73699	2.867	5,039	\$72,584	\$74,044	18,511	18,511	18,511	18,511	18,511	83,284,052	83,284,052	83,284,052
73700 - 75699	1.786	3,139	\$74,708	\$76,211	19,053	19,053	19,053	19,053	19,053	59,811,869	59,811,869	59,811,869
75700 - 77699	1.692	2,974	\$76,656	\$78,198	19,549	19,549	19,549	19,549	19,549	58,141,378	58,141,378	58,141,378
77700 - 79699	1.645	2,891	\$78,699	\$80,282	20,071	20,071	20,071	20,071	20,071	58,032,854	58,032,854	58,032,854
79700 - 81699	2.021	3,552	\$80,724	\$82,348	20,587	20,587	20,587	20,587	20,587	73,132,059	73,132,059	73,132,059
81700 - 83699	2.350	4,131	\$82,637	\$84,299	21,075	21,075	21,075	21,075	21,075	87,052,494	87,052,494	87,052,494
83700 - 85699	1.269	2,231	\$84,715	\$86,419	21,605	21,605	21,605	21,605	21,605	38,978,803	38,978,803	38,978,803
85700 - 87699	1.786	3,139	\$86,627	\$88,369	22,092	22,092	22,092	22,092	22,092	48,190,424	48,190,424	48,190,424
87700 - 89699	1.081	1,900	\$88,504	\$90,264	22,571	22,571	22,571	22,571	22,571	54,859,056	54,859,056	54,859,056
89700 - 91699	1.457	2,561	\$90,575	\$92,397	23,099	23,099	23,099	23,099	23,099	33,204,166	33,204,166	33,204,166
91700 - 93699	1.457	2,561	\$92,723	\$94,588	23,647	23,647	23,647	23,647	23,647	44,753,441	44,753,441	44,753,441
93700 - 95699	0.893	1,570	\$94,871	\$96,779	24,195	24,195	24,195	24,195	24,195	59,157,077	59,157,077	59,157,077
95700 - over	8.975	15,778	\$132,020	\$134,676	23,550	23,550	23,550	23,550	23,550	60,311,504	60,311,504	60,311,504
TOTAL	100.000	175,772								371,513,696	371,513,696	531,144,878
										\$2,782,267,009	\$2,571,402,915	\$2,953,176,938
										6.20%	12.60%	1.45%
										\$173,121,785	\$323,986,767	\$42,821,090
										Total Tier I & II & Medicare		\$538,939,652

Sources: (a) rrb_earnings_dist2 sas and rrb2005.txt [Year 2005 data]

RR_Retirement_06annual.xls

RRB 2005 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Group		Cumulative Employees	Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
			Average Salary (Group)	Employment % Total Employment				
\$ 0 TO \$21,699	9	\$82,354	\$9,150	0.423	9	\$82,354	\$9,150	0.423
\$21,700 TO \$23,699	4	\$89,292	\$22,323	0.188	13	\$171,646	\$13,204	0.611
\$23,700 TO \$25,699	2	\$49,657	\$24,829	0.094	15	\$221,303	\$14,754	0.705
\$25,700 TO \$27,699	7	\$186,775	\$26,682	0.329	22	\$408,078	\$18,549	1.034
\$27,700 TO \$29,699	5	\$142,567	\$28,513	0.235	27	\$550,645	\$20,394	1.269
\$29,700 TO \$31,699	13	\$399,318	\$30,717	0.611	40	\$949,963	\$23,749	1.880
\$31,700 TO \$33,699	13	\$425,325	\$32,717	0.611	53	\$1,375,288	\$25,949	2.491
\$33,700 TO \$35,699	11	\$382,734	\$34,794	0.517	64	\$1,758,022	\$27,469	3.008
\$35,700 TO \$37,699	25	\$922,596	\$36,904	1.175	89	\$2,680,618	\$30,119	4.182
\$37,700 TO \$39,699	34	\$1,317,553	\$38,752	1.598	123	\$3,998,171	\$32,505	5.780
\$39,700 TO \$41,699	49	\$1,994,212	\$40,698	2.303	172	\$5,992,383	\$34,839	8.083
\$41,700 TO \$43,699	94	\$4,028,224	\$42,853	4.417	266	\$10,020,607	\$37,671	12.500
\$43,700 TO \$45,699	113	\$5,042,395	\$44,623	5.310	379	\$15,063,002	\$39,744	17.810
\$45,700 TO \$47,699	106	\$4,942,246	\$46,625	4.981	485	\$20,005,248	\$41,248	22.791
\$47,700 TO \$49,699	131	\$6,371,401	\$48,637	6.156	616	\$26,376,649	\$42,819	28.947
\$49,700 TO \$51,699	106	\$5,377,706	\$50,733	4.981	722	\$31,754,355	\$43,981	33.929
\$51,700 TO \$53,699	85	\$4,467,668	\$52,561	3.994	807	\$36,222,023	\$44,885	37.923
\$53,700 TO \$55,699	92	\$5,029,502	\$54,669	4.323	899	\$41,251,525	\$45,886	42.246
\$55,700 TO \$57,699	93	\$5,279,566	\$56,770	4.370	992	\$46,531,091	\$46,906	46.617
\$57,700 TO \$59,699	83	\$4,868,030	\$58,651	3.900	1,075	\$51,399,121	\$47,813	50.517
\$59,700 TO \$61,699	80	\$4,860,296	\$60,754	3.759	1,155	\$56,259,417	\$48,709	54.276
\$61,700 TO \$63,699	76	\$4,763,525	\$62,678	3.571	1,231	\$61,022,942	\$49,572	57.848
\$63,700 TO \$65,699	69	\$4,466,693	\$64,735	3.242	1,300	\$65,489,635	\$50,377	61.090
\$65,700 TO \$67,699	84	\$5,598,330	\$66,647	3.947	1,384	\$71,087,965	\$51,364	65.038
\$67,700 TO \$69,699	69	\$4,732,914	\$68,593	3.242	1,453	\$75,820,879	\$52,182	68.280
\$69,700 TO \$71,699	52	\$3,671,587	\$70,607	2.444	1,505	\$79,492,466	\$52,819	70.724

RRB 2005 EARNINGS DATA

Annual Salary Range	Number of Employees	Gross Salary	Group		Cumulative Salary	Average Salary (Cumulative)	Cumulative % Total Employment
			Average Salary (Group)	Employment % Total Employment			
\$71,700 TO \$73,699	61	\$4,427,630	\$72,584	2.867	\$83,920,096	\$53,589	73.590
\$73,700 TO \$75,699	38	\$2,838,900	\$74,708	1.786	\$86,758,996	\$54,089	75.376
\$75,700 TO \$77,699	36	\$2,759,633	\$76,656	1.692	\$89,518,629	\$54,585	77.068
\$77,700 TO \$79,699	35	\$2,754,465	\$78,699	1.645	\$92,273,094	\$55,088	78.712
\$79,700 TO \$81,699	43	\$3,471,115	\$80,724	2.021	\$95,744,209	\$55,730	80.733
\$81,700 TO \$83,699	50	\$4,131,828	\$82,637	2.350	\$99,876,037	\$56,491	83.083
\$83,700 TO \$85,699	27	\$2,287,303	\$84,715	1.269	\$102,163,340	\$56,916	84.352
\$85,700 TO \$87,699	38	\$3,291,813	\$86,627	1.786	\$105,455,153	\$57,531	86.137
\$87,700 TO \$89,699	23	\$2,035,603	\$88,504	1.081	\$107,490,756	\$57,915	87.218
\$89,700 TO \$91,699	31	\$2,807,827	\$90,575	1.457	\$110,298,583	\$58,452	88.675
\$91,700 TO \$93,699	31	\$2,874,399	\$92,723	1.457	\$113,172,982	\$59,006	90.132
\$93,700 TO \$95,699	19	\$1,802,550	\$94,871	0.893	\$114,975,532	\$59,358	91.024
\$95,700 AND OVER	191	\$25,215,795	\$132020	8.976	\$140,191,327	\$65,879	100.000
TOTAL	2,128	\$140,191,327	\$65,879	100.000	\$140,191,327	\$65,879	100.000

**Tax Rates and Maximum Taxable Earnings Under Social Security,
Railroad Retirement and Railroad Unemployment Insurance Programs, Continued**

Period	Railroad Retirement					Railroad Unemployment Insurance				Unemployment Reemployment Tax [4]	
	Maximum earnings base [3]		Tax rate (percent) [3]			Maximum monthly taxable earnings	Employer tax rate [5] (percent)	Surcharge or (pooled credit)	New employer tax rate (percent)	Maximum taxable earnings	Employer tax rate (percent)
			Tier 1	Tier 2							
	Tier 1 [7]	Tier 2	Employer & employee each	Employer	Employee						
1991	53,400	39,900	7.65	16.1	4.9	765	5.55 - 12.0	...	8.00	765	4.0
1992	55,500	41,400	7.65	16.1	4.9	785	3.10 - 12.0	(3.12)	8.00	785	4.0
1993	57,800	42,900	7.65	16.1	4.9	810	0.65 - 12.0	(5.31)	7.30	810	4.0
1994	60,600	45,000	7.65	16.1	4.9	840	0.85 - 12.0	(0.22)	6.06		
1995	61,200	45,300	7.65	16.1	4.9	850	0.85 - 12.0	..	4.15		
1996	62,700	46,500	7.65	16.1	4.9	865	0.85 - 12.0	--	2.31		
1997	65,400	48,900	7.65	16.1	4.9	890	0.85 - 12.0	--	1.16		
1998	68,400	50,700	7.65	16.1	4.9	925	2.15 - 12.0	1.5	0.85		
1999	72,600	53,700	7.65	16.1	4.9	970	2.15 - 12.0	1.5	0.92		
2000	76,200	56,700	7.65	16.1	4.9	1,005	0.65 - 12.0	--	1.67		
2001	80,400	59,700	7.65	16.1	4.9	1,050	2.15 - 12.0	1.5	2.69		
2002	84,900	63,000	7.65	15.8	4.9	1,100	3.15 - 12.0	2.5	2.71		
2003	87,000	64,500	7.65	14.2	4.9	1,120	3.15 - 12.0	2.5	2.38		
2004	87,900	65,100	7.65	13.1	4.9	1,130	2.15 - 12.0	1.5	2.38		
2005	90,000	66,900	7.65	12.8	4.4	1,150	2.15 - 12.0	1.5	3.43		
2006	94,200	69,900	7.65	12.8	4.4	1,195	2.15 - 12.0	1.5	4.03		
2007	97,500	72,600	7.65	12.1	3.9	1,230	2.15 - 12.0	1.5	3.75		
2008 and later	[2]	[2]	7.65	[8]	[8]	[2]	[6]	[6]	[5]		

1 Before tax credit. Employees received a credit of 0.3 percent in 1984. The self-employed received a credit of 2.7 percent in 1984, 2.3 percent in 1985 and 2.0 percent in 1988-89.

2 Based on automatic adjustments in proportion to increases in average earnings levels.

3 Earnings bases are monthly through 1984 and annual for 1985 and later. October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers, subject to a moratorium for certain railroad labor organizations. The Tier 1 tax rate was set equal to the current social security tax rate.

4 This temporary tax applied to employers until all pre-October 1988 loans from the Railroad Retirement Account were fully repaid with interest on June 28, 1993. Earnings bases are annual through 1988 and monthly for 1989-1993.

5 Taxes are paid only by employer. From 1948 through 1988, the rate for a calendar year was based on a graduated schedule depending on the preceding September 30 account balance (including administration fund). Except for certain commuter railroads, the rate for 1989-1990 was fixed at 8.0 percent. Beginning in 1991, each employer's rate is experience-based, with a minimum of 0.65 percent and a maximum of 12 percent, or 12.5 percent if a 3.5 percent surcharge applies due to a low account balance.

6 Taxes are paid only by employers. The supplemental annuity tax was repealed for calendar years after 2001.

7 Beginning in 1991, the portion of the tier 1 tax rate which does not exceed the social security HI tax rate is applied to earnings up to the HI maximum taxable amount. In 1993, a 1.45 percent tax applied to earnings up to \$135,000 and a 6.2 percent tax applied to earnings up to \$57,600.

8 Beginning in 2004, the tier 2 tax rate will be determined annually from a tax rate schedule based on the average account benefits ratio. The average account benefits ratio is the average for the 10 fiscal years preceding the calendar year of the ratio of the fair market value of the assets in the Railroad Retirement Account and the National Railroad Retirement Investment Trust as of the close of each fiscal year to the total benefits and administrative expenses paid from those accounts during the fiscal year. Employer tax rates can range from 8.2 percent to 22.1 percent. Employee tax rates can range from 0 percent to 4.9 percent.

AAR 2006 Final 112-Class Wage Statistics U.S.

Union	Employees	Straight Time		PFTNW	Union Lump
	Paid	Hours	Comp.	Comp.	Sums
UTU	46,331	93,309,110	\$1,888,807,695	\$761,538,751	\$653,726
TCU	9,268	15,906,099	355,965,072	80,721,905	3,972,012
BLET	30,440	67,492,528	1,554,100,984	587,199,358	84,526,156
SMW	1,083	1,919,076	41,554,443	7,728,540	2,668
BRS	6,185	11,482,130	265,659,219	56,791,678	113,459
BMWE	26,027	46,373,055	926,828,567	165,912,556	300,788
TCU-CAR	11,149	20,206,363	432,568,838	76,282,858	91,643
NCFO	2,502	4,413,389	78,459,511	13,606,020	59,772
IAM	7,073	12,626,673	273,501,081	51,332,102	40,775
IBBM	1,117	2,032,168	40,120,524	5,985,679	119,125
IBEW	5,177	9,379,172	208,543,671	38,230,881	74,601
ATDA	2,569	4,348,885	143,526,067	28,288,220	5,462,409
UTU-YMD	2,357	4,009,853	112,159,739	28,694,761	1,812,056
OTHER	24,494	49,258,229	2,025,403,900	69,439,132	
Total	175,772	342,756,730	\$8,347,199,311	\$1,971,752,441	\$97,229,190
ST Comp less Union Lump Sums			\$8,249,970,121		

Checks

Matches	Matches	Matches	Matches
Total including non-union			\$325,576,226
US vs E + W check			0

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007 by and between the participating carriers listed in Exhibit A, attached hereto and made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Locomotive Engineers and Trainmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

(a) Effective July 1, 2005, all standard basic daily rates of pay for employees represented by the Brotherhood of Locomotive Engineers and Trainmen ("BLET") in effect on June 30, 2005 shall be increased by two-and-one-half (2-1/2) percent.

(b) In computing the increase under paragraph (a) above, two-and-one-half (2-1/2) percent shall be applied to the standard basic daily rates of pay applicable in the following weight-on-drivers brackets, and the amounts so produced shall be added to each standard basic daily rate of pay:

Passenger	- 600,000 and less than 650,000 pounds
Freight	- 950,000 and less than 1,000,000 pounds (through freight rates)
Yard Engineers	- Less than 500,000 pounds
Yard Firemen	- Less than 500,000 pounds (separate computation covering five-day rates and other than five-day rates)

Section 2 - Second General Wage Increase

Effective July 1, 2006, all standard basic daily rates of pay in effect on June 30, 2006 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all standard basic daily rates of pay in effect on June 30, 2007 for employees represented by the BLET shall be increased by three (3) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all standard basic daily rates of pay in effect on June 30, 2008 for employees represented by the BLET shall be increased by four (4) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all standard basic daily rates of pay in effect on June 30, 2009 for employees represented by the BLET shall be increased by four-and-one-half (4-1/2) percent, computed and applied in the same manner prescribed in Section 1(b) above.

Section 6 - Standard Rates

The standard basic daily rates of pay produced by application of the increases provided for in this Article are set forth in Appendix 1, which is a part of this Agreement.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under December 16, 2003 Agreement

Section 1

Article III, Part B, of the December 16, 2003 National BLBT Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2003 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

Section 2

Any local counterpart to the above-referenced Article III, Part B that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

(f) The definition of the term "children", as used in connection with determinations of "Eligible Dependents" under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE V - GENERAL PROVISIONS

Section 1 - Court Approval

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the Sheet Metal Workers' International Association, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2005, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2-1/2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2-1/2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

(g) COLA Payments -

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article III, Part B, of the April 4, 2005 National SMWIA Agreement (or any local counterpart agreement) shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under April 4, 2005 Agreement

Section 1

Article III, Part B, of the April 4, 2005 National SMWIA Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2005 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

Section 2

Any local counterpart to the above-referenced Article III, Part B that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007, by and between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and employees of such carriers represented by the Brotherhood of Railroad Signalmen, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2005, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2-1/2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2-1/2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2007 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009 all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after July 1, 2005 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this

2. Retroactive H & W Cost-Sharing (7/1/05 through 5/31/07)

Employee would owe the following in retroactive H&W cost-sharing (to recover employee share of yearly Plan cost increases for 2005-2007 in excess of current cost-sharing amount of \$100/mo.):

a. For period 7/1/05 through 12/31/05:

$$\$6.11 \times 6 = \$36.66$$

b. For period 1/1/06 through 12/31/06:

$$\$31.96 \times 12 = \$383.52$$

c. For period 1/1/07 through 5/31/07:

$$\$66.25 \times 5 = \$331.25$$

d. Total H&W retroactive cost-sharing = \$751.43

3. Net retroactive payment: $\$4,653.00 - \$751.43 = \$3,901.57$

Not BMW E

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007, by and between the participating carriers listed in Exhibit A attached hereto and hereby made a part hereof, and represented by the National Carriers' Conference Committee, and the employees of such carriers shown thereon and represented by the Brotherhood of Maintenance of Way Employees Division-International Brotherhood of Teamsters:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2005, all hourly, daily, weekly, and monthly rates of pay of employees covered by this Agreement in effect on the preceding day shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2-1/2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2-1/2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2-1/2 percent to the existing weekly rates of pay.

services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 2 shall be applied in the same manner as provided for in Section 1 hereof.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 3 shall be applied in the same manner as provided for in Section 1 hereof.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 4 shall be applied in the same manner as provided for in Section 1 hereof.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly, monthly and piece-

work rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 5 shall be applied in the same manner as provided for in Section 1 hereof.

Section 6 – Rate Adjustment

Effective January 1, 2007, all hourly, daily, weekly, monthly and piece-work rates of pay in effect on December 31, 2006 for employees covered by this Agreement shall be increased in the amount of \$0.47 per hour applied so as to give effect to this increase irrespective of the method of payment. The increase provided for in this Section 6 shall be applied in the same manner as described in Article II, Part B, Section 3 of the May 31, 2001 National BMW Agreement, except that such increase shall become part of basic rates of pay.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under May 31, 2001 Agreement

Section 1

Article II, Part B, of the May 31, 2001 National BMW E Agreement ("Article II, Part B"), shall be eliminated effective on the date of this Agreement. The full amount of the cost-of-living allowance payments that were payable under Article II, Part B (the COLA amount before reduction for employee health and welfare cost-sharing contributions) to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement. (See Attachment A to Side Letter No. 10.)

Section 2

Any local counterpart to the above-referenced Article II, Part B that is in effect on a carrier party to this Agreement shall be amended in the same manner as provided in Section 1.

ARTICLE IV - HEALTH AND WELFARE

Part A - Plan Changes

Section 1 - Continuation of Plans

The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan"), and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

The following events are the events referred to in the immediately preceding paragraph:

- (1) the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
- (2) if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

(i) Plan participants and their beneficiaries who live in an area where, as of the date of this Agreement, they may choose between MMCP and CHCB coverage shall no longer have a choice, but shall be enrolled in the MMCP. This subsection is not intended to have any application to employees covered by this Agreement who reside in any geographic area where MMCP is not offered as of the date of such Agreement. Mandatory enrollment in MMCP for such employees shall be governed exclusively by Part A, Section 2(b) of this Article.

(j) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers'

Net. BMWB

Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1, 2 and 6 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE V - SUPPLEMENTAL SICKNESS

The January 9, 1980 Supplemental Sickness Benefit Agreement, as subsequently amended (Sickness Agreement), shall be further amended as provided in this Article.

Part A - Plan Benefit Adjustments

-35-

* $\$20.50 \times 1.03 = \21.12

c. For period 1/1/07 through 5/31/07:

$$\$0.47 \times 1100 \text{ hours} = \$517.00$$

d. Total gross retroactive pay of \$4,547.40

2. COLA Credit (1/1/05 through 5/31/07)

Railroad entitled to following credit against gross retroactive pay:

a. For period 7/1/05 through 12/31/05:

$$\$0.15 \times 220 \times 6 = \$198.00$$

b. For period 1/1/06 through 6/30/06:

$$\$0.46 \times 220 \times 6 = \$607.20$$

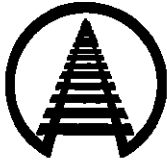
c. For period 7/1/06 through 12/31/06:

$$\$0.47 \times 220 \times 6 = \$620.40$$

d. For period 1/1/07 through 5/31/07:

$$\$0.62 \times 220 \times 5 = \$682.00$$

e. Total COLA credit = \$2,107.60



Memo

To: self
From: Clyde Crimmel
CC:
Date: 8/7/2007
Re: BMWED Back Pay Offset for Employee Cost Sharing

Because of the new contract for the Brotherhood of Maintenance of Way Employees Division (BMWED), the AAR needs to calculate back pay for some of its cost indexes. The new BMWED contract has a provision for employee health & welfare cost sharing retroactive to January 1, 2007. For back pay purposes employee cost sharing payments already paid under the previous labor agreement are an offset to the new employee cost sharing amount of \$166.25 per month per employee.

The old BMWED agreement was unique in that the employee cost sharing was not a fixed rate per month like the other unions. Instead, BMWED employees received lower cost of living wage adjustments. For example, in the third quarter 2007, most unions received a ten cent COLA, while the BMWED was scheduled to receive just five cents – since half of the ten cents was removed to account for higher employee health & welfare cost sharing

On page 36 of the new BMWED labor agreement, a back pay calculation example shows how the health & welfare offset is calculated for the first five months of 2007. The offset is calculated as $(\$0.70 - \$0.47) \times (2,603 \text{ hours divided by } 12 \text{ months}) = \49.89 per month .

In the cast of the AAR's Rail Cost Adjustment Factor (RCAF), the first three quarters of 2007 have already been filed. The new BMWED contract was not added, since it had not been ratified by the June 5 RCAF filing. Therefore, the AAR needs to calculate back pay for three quarters (9 months) instead of the 5 months used in the BMWED contract example. The new contract's \$49.89 example can be used for the first six months of 2007, while we must calculate the offset for the next three months.

Glenn Williams of the National Railway Labor Conference advised via phone how to calculate the back pay offset for employee cost sharing for the third quarter of 2007, given that third quarter was treated (in the RCAF) as if the new contract was not yet ratified. In this case, BMWED employees received a 5-cent cost of living wage adjustment effective July 1, 2007, which is calculated as 10 cents less 5 cents (for cost sharing) equals the 5-cent adjustment.¹ Therefore, the July-August-September offset is calculated as $((\$0.70 + \$0.10) - (\$0.47 + \$0.05)) \times (2,603 \text{ hours divided by } 12 \text{ months}) = \60.74 per month .

¹ See NRLC Circular No 835-14, dated April 23, 2007

NATIONAL RAILWAY LABOR CONFERENCE

ECONOMIC RESEARCH DEPARTMENT

1901 L STREET, N.W., WASHINGTON, D.C. 20036-3514 ♦ ♦ PHONE: (202) 862-7200 FAX: (202) 862-7253

H. GLEN WILLIAMS Jr
Director Economic Research
(202) 862-7232
gwilliams@rrnrlc.org

April 23, 2007

July 1, 2007 Cost-of-Living Allowance
Under the May 31, 2001 BMWE National Agreement

CIRCULAR NO. 835-14

TO MEMBER ROADS:

The National Agreement with the Brotherhood of Maintenance of Way Employees provides in Article II, Part B, Section 1 for a cost-of-living wage adjustment to be payable on July 1, 2007. This wage adjustment will be five (5) cents.

The 5 cents will be added to the existing 39 cent COL allowance for a total COL allowance of 44 cents effective July 1, 2007.

Calculated on the basis of the change in the CPI-W for the measurement period September 2006 to March 2007, the gross COL adjustment is 10 cents. Article II, Part B, Section 2 provides that such COL amount is subject to reduction by the lesser of (x) 50% of the increase in the carriers' 2007 payment rate for health benefits over the 2006 rate (on an hourly basis) and (y) one-half of the COL amount. Fifty percent of the 2007 increase in BMWE health benefits is 22.6 cents, which is more than one-half of the COL amount. Therefore the July 1, 2007 COL wage adjustment is 10 cents minus 5 cents, or 5 cents net.



H. Glen Williams, Jr

3. Retroactive H&W Payments (1/1/07 through 5/31/07)

$$\$116.36 * 5 = \$581.80$$

$$* \$166.25 - \$49.89 = \$116.36/\text{mo.}$$

$$[\$0.23 \text{ (net cumulative H\&W cents/hr offset of } \$0.70 - 47) \times 216.92 \text{ (2,603 ACSTE Hours/12)} = \$49.89/\text{mo.}]$$

4. Net retroactive wage payment

$$\$4,547.40 - (\$2,107.60 + \$581.80) = \$1,858.00$$

5. Increase net retroactive wage payment by 29.6 percent

$$1.296 \times \$1,858.00 = \$2,407.97.$$

6. Hourly Rate Effective 6/1/07

a. $\$20.00^* \times 1.025 \times 1.03 = \21.12 (rounded)

* Hourly rate on 6/30/05

b. $\$21.12 + \$0.47^* = \$21.59$

* Rate adjustment (effective midnight, 12/31/06)

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the National Conference of Firemen and Oilers, Service Employees International Union, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2005, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2-1/2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2-1/2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

(g) COLA Payments -

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article III, Part B, of the April 4, 2005 National NCF&O Agreement (or any local counterpart agreement) shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under April 4, 2005 Agreement

Section 1

Article III, Part B, of the April 4, 2005 National NCF&O Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2005 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

- o your grandchildren, provided they have their legal residence with you and are dependent for care and support mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like.”

(f) The definition of the term “children”, as used in connection with determinations of “Eligible Dependents” under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 – Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers’ Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers’ Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers’ Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE V - SUPPLEMENTAL SICKNESS

The March 29, 1979 Supplemental Sickness Benefit Agreement, as amended by Article V of the April 4, 2005 National NCF&O Agreement (Sickness Agreement), shall be further amended as provided in this Article.

Part A - Plan Benefit Adjustments**Section 1 - Adjustment of Plan Benefits**

(a) The benefits provided under the Plan established pursuant to the Sickness Agreement ("SSB Plan") shall be adjusted as provided in paragraph (b) so as to restore the same ratio of benefits to rates of pay as existed on December 31, 2004 under the terms of that Agreement.

(b) Section 4 of the Sickness Agreement shall be revised as follows:

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of July, 2007, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the International Brotherhood of Boilermakers and Blacksmiths, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

On July 1, 2005, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent applied so as to give effect to this increase in pay irrespective of the method of payment. The increase provided for in this Section 1 shall be applied as follows:

(a) **Hourly Rates** -

Add 2-1/2 percent to the existing hourly rates of pay.

(b) **Daily Rates** -

Add 2-1/2 percent to the existing daily rates of pay.

(c) **Weekly Rates** -

Add 2-1/2 percent to the existing weekly rates of pay.

(d) Monthly Rates -

Add 2-1/2 percent to the existing monthly rates of pay.

(e) Disposition of Fractions -

Rates of pay resulting from application of paragraphs (a) to (d), inclusive, above which end in fractions of a cent shall be rounded to the nearest whole cent, fractions less than one-half cent shall be dropped, and fractions of one-half cent or more shall be increased to the nearest full cent.

(f) Application of Wage Increase -

The increase in wages provided for in this Section 1 shall be applied in accordance with the wage or working conditions agreement in effect between each carrier and the labor organization party hereto. Special allowances not included in fixed hourly, daily, weekly or monthly rates of pay for all services rendered, and arbitraries representing duplicate time payments, will not be increased. Overtime hours will be computed in accordance with individual schedules for all overtime hours paid for.

(g) COLA Payments -

Any cost-of-living allowance amounts rolled in to basic rates of pay on or after July 1, 2005 pursuant to Article III, Part B of the November 1, 2002 National IBB Agreement (or any local counterpart agreement) shall be excluded before application of the general wage increases provided for in this Section 1 and eliminated from basic rates of pay after application of such increases.

Section 2 - Second General Wage Increase

Effective July 1, 2006, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased by three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 3 - Third General Wage Increase

Effective July 1, 2007, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 4 - Fourth General Wage Increase

Effective July 1, 2008, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

Section 5 - Fifth General Wage Increase

Effective July 1, 2009, all hourly, daily, weekly and monthly rates of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent applied in the same manner as provided for in Section 1 hereof and applied so as to give effect to this increase irrespective of the method of payment.

ARTICLE II - OPTIONAL ALTERNATIVE COMPENSATION PROGRAM

Section 1

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS

Cost-of-Living Payments Under April 4, 2005 Agreement

Section 1

Article III, Part B, of the November 1, 2002 National IBB Agreement, shall be eliminated effective on the date of this Agreement. All cost-of-living allowance payments made under that 2002 Agreement to employees for periods on and after July 1, 2005 shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

geographic area where MMCP is not offered as of the date of such Agreement. Mandatory enrollment in MMCP for such employees shall be governed exclusively by Part A, Section 2(b) of this Article.

(i) The design changes contained in this Section shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1 and 2 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution.

4. Net retroactive payment

Gross Retroactive Pay:	\$4,254.80
Subtract COLA Credit:	<u>2,107.60</u>
	\$2,147.20

Subtract Retroactive H&W Cost-Sharing	\$ <u>143.00</u>
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Net Retroactive Pay:	\$2,004.20
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5. Hourly Rate Effective 6/1/07

a. $\$21.00^* \times 1.025 \times 1.03 = \22.18 (rounded)

* Hourly Rate on 6/30/05

b. $\$22.18 + \$0.34^* = \$22.52$

* Rate adjustment effective 6/1/07 pursuant to 12/14/04
IBB National Implementation Agreement

provisions is amended by raising such limit to \$10,000,000.

SECTION 5 – RATE ADJUSTMENT

Effective June 1, 2007, all hourly, daily, weekly, and monthly rates of pay in effect on the preceding day for employees on carriers covered by the 2002 National Agreement for Wages & Rules and Health & Welfare shall be increased in the amount of \$.34 per hour.

Still
applies
in new
agreement

SECTION 6 – SIDE LETTERS

The 2002 National Agreement is amended by adding Side Letter Nos. 7 through 12 attached hereto

**SIGNED AT WASHINGTON, D.C. THIS 14th DAY OF
DECEMBER, 2004.**

**FOR THE PARTICIPATING
CARRIERS REPRESENTED BY
NATIONAL CARRIERS'
CONFERENCE COMMITTEE:**



Robert F. Allen
Chairman

**FOR THE EMPLOYEES
REPRESENTED BY THE
INTERNATIONAL BRO.
OF BOILERMAKERS
AND BLACKSMITHS:**



Alan M. Scheer
Director – Railroad Division

Case No. A-13371

MEDIATION AGREEMENT

THIS AGREEMENT, made this 1st day of September, 2007, by and between the participating carriers listed in Exhibit A attached hereto and represented by the National Carriers' Conference Committee, and the employees shown thereon and represented by the American Train Dispatchers Association, witnesseth:

IT IS HEREBY AGREED:

ARTICLE I - WAGES

Section 1 - First General Wage Increase

Effective July 1, 2005, each basic monthly rate of pay in effect on June 30, 2005 for employees covered by this Agreement shall be increased in the amount of two-and-one-half (2-1/2) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 2 - Second General Wage Increase

Effective July 1, 2006, each basic monthly rate of pay in effect on June 30, 2006 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 3 - Third General Wage Increase

Effective July 1, 2007, each basic monthly rate of pay in effect on June 30, 2007 for employees covered by this Agreement shall be increased in the amount of three (3) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 4 – Fourth General Wage Increase

Effective July 1, 2008, each basic monthly rate of pay in effect on June 30, 2008 for employees covered by this Agreement shall be increased in the amount of four (4) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 5 – Fifth General Wage Increase

Effective July 1, 2009, each basic monthly rate of pay in effect on June 30, 2009 for employees covered by this Agreement shall be increased in the amount of four-and-one-half (4-1/2) percent representing a general wage increase. Where basic monthly rates are not in effect, an equivalent adjustment shall be made.

Section 6 - COLA Payments

Any cost-of-living allowance amounts rolled in to basic monthly rates of pay on or after July 1, 2005 pursuant to any existing agreements between the ATDA and the carriers covered by this Agreement shall be excluded before application of the general wage increases provided for in this Article I and eliminated from basic rates of pay after application of such increases.

ARTICLE II – OPTIONAL ALTERNATIVE COMPENSATION PROGRAM**Section 1**

A carrier or organization may propose alternative compensation arrangements for consideration by the other party. Such arrangements may include, for example, stock options, stock grants (including restricted stock), bonus programs based on carrier performance, and 401(k) plans. The proposed arrangement(s) may be implemented only by mutual agreement of the carrier and the appropriate representatives.

Section 2

The parties understand that neither the carrier nor the organization may be compelled to offer any alternative compensation arrangement, and, conversely, neither the carrier nor the organization may be compelled to agree to any proposal made under this Article.

ARTICLE III - COST-OF-LIVING PAYMENTS**Cost-of-Living Payments Under Existing Agreements****Section 1**

Any provisions in existing agreements between the ATDA and the carriers covered by this Agreement that provide for payment of cost-of-living allowances to employees on and after July 1, 2005 shall be eliminated effective on the date of this Agreement. All such cost-of-living allowance payments made to employees under those provisions shall be recovered from any retroactive wage increase payments made under Article I of this Agreement.

Section 2

Any counterparts to the provisions described in Section 1 that provide for commencement of payment of cost-of-living allowances to employees on and after a date subsequent to July 1, 2005 shall be amended in the same manner as provided in Section 1.

themselves, you, your spouse, scholarships and the like, and governmental disability benefits and the like."

(f) The definition of the term "children", as used in connection with determinations of "Eligible Dependents" under the terms of the Dental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) Blue Cross Blue Shield programs that are currently available under the Plan will be made available for selection by employees covered by this Agreement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the United States for selection by such employees who choose coverage under the CHCB.

(h) The design changes contained in this Section shall become effective on September 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 - Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this Agreement shall contribute to the Plan, for each month that his employer is required to make a contribution to the Plan on his behalf for foreign-to-occupation health benefits coverage for himself and/or his dependents, a monthly cost-sharing contribution in an amount equal to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to equal 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to equal 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

- (1) 15% of the Carrier's Monthly Payment Rate for 2010, or
- (2) \$200.00 or the January 1, 2009 employee monthly cost-sharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to —

- (1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,
- (2) the Dental Plan for employee and dependent dental benefits, and
- (3) the Vision Plan for employee and dependent vision benefits,

would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be \$1,108.34 and the Employee Monthly Cost-Sharing Contribution Amount for 2007 has been determined to be \$166.25.

Section 2 - Pre-Tax Contributions

Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing Section 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions

Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under Article I, Sections 1, 2 and 3 of this Agreement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a cost-sharing contribution. See Side Letter No. 9.

Section 4 - Prospective Contributions

For months subsequent to the retroactive period covered by Section 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.

ARTICLE V - GENERAL PROVISIONS

Section 1 - Court Approval

This Agreement is subject to approval of the courts with respect to participating carriers in the hands of receivers or trustees.

Section 2 - Effect of this Agreement

(a) The purpose of this Agreement is to settle the disputes growing out of the notices served upon the organization by the carriers listed in Exhibit A on or subsequent to November 1, 2004 (including any notices outstanding as of that date), and the notices served by the organization signatory hereto upon such carriers on or subsequent to November 1, 2004 (including any notices outstanding as of that date).

September 1, 2007
#4

Mr. F. Leo McCann
President
American Train Dispatchers Association
1370 Ontario Street, Suite 1040
Cleveland, OH 44113-1736

Dear Mr. McCann:

This will confirm our understanding concerning the application of Article I – Wages of this Agreement with respect to employees of the carriers comprising CSX Transportation, Inc. (Centralized Train Dispatchers), as specified in Exhibit A hereto (“Centralized Train Dispatchers”).

In recognition of the terms of the ATDA-CSXT Agreement dated April 1, 2004, it is agreed that Article I, Sections 1 and 2 will not apply to the Centralized Train Dispatchers, and Article I, Section 5 will be modified to provide that such employees will receive a general wage increase of four (4) percent effective July 1, 2009.

Please acknowledge your agreement by signing your name in the space provided below.

Very truly yours,



Robert F. Allen

I agree:



F. Leo McCann

MEMORANDUM OF AGREEMENT**Between****BNSF RAILWAY COMPANY****And****BROTHERHOOD OF LOCOMOTIVE ENGINEERS AND TRAINMEN**

This Agreement modifies existing agreements between BLET and BNSF, including existing agreements from the former component roads, only to the extent described herein.

ARTICLE 1 - Profit Sharing

This Article is made pursuant to Article II – Optional Alternative Compensation Program of the _____, 2007 National Agreement between BNSF, other carriers represented by the National Carriers' Conference Committee, and the employees of such carriers represented by the Brotherhood of Locomotive Engineers and Trainmen.

Section A - Maximum Potential Profit Sharing Payment and Handling of General Wage Increases

The Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 is amended as follows.

For Engineers Working Under Former BN Agreements in All Classes of Service

Beginning on July 1, 2007 and applicable to engineers' earnings on and after July 1, 2007, the maximum potential profit sharing payment for locomotive engineers working under former BN agreements will be increased by four percent of engineers' regular earnings as defined in the Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 and a subsequent letter of understanding dated February 22, 2005.

The three percent general wage increase otherwise scheduled for July 1, 2007 will be reduced to one percent for all rates of pay under former BN agreements.

For Engineers Working Under Former SF Agreements as a Yard Engineer or a Road Switcher Engineer

Beginning on July 1, 2007 and applicable to engineers' earnings on and after July 1, 2007, the maximum potential profit sharing payment for locomotive engineers based on service under former SF agreements as a yard engineer or as a road switcher engineer will be increased by four percent of engineers' regular earnings in those classes of service as defined in the Alternative Compensation Agreement between BLET and BNSF Railway dated December 23, 2003 and a subsequent letter of understanding dated February 22, 2005.

The three percent general wage increase otherwise scheduled for July 1, 2007 will be reduced to one percent for rates of pay under former SF agreements as a yard engineer or a road switcher engineer.

AGREEMENT BETWEEN

**CHICAGO, CENTRAL AND PACIFIC RAILROAD (CCP)
ILLINOIS CENTRAL RAILROAD COMPANY (IC)**

AND

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS
BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES DIVISION (BMWED)**

IT IS AGREED:

ARTICLE I - RATES OF PAY*

- A. Effective July 1, 2005, all rates of pay in effect on June 30, 2005 are increased by three percent (3%).**
- B. Effective July 1, 2006, all rates of pay in effect on June 30, 2006 are increased by three percent (3%).**
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of paragraphs A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

* See Attachment A – Rates of Pay

** These increases are to be paid as soon as practicable after signing as back-time payments less any COLA amounts previously received.

**ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO AFTER
JANUARY 1, 2010**

Section 1 - Cost of Living Allowance and Effective Dates of Adjustments

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and

Section 2 - Application of Section 1 Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Article will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

- (a) **Hourly Rates** - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.
- (b) **Minimum Daily Increases** - The increase in rates of pay described in paragraph (a) shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.
- (c) In making calculations under this Article, fraction of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Elimination of Previous Cost-of-Living Provisions

This Article replaces any previous cost-of-living provision in effect prior to the effective date of this agreement, and the arrangements set forth in this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act. Any payments due or paid under previous cost-of-living provisions shall expire as of the effective date of this agreement and shall be applied towards any retroactive pay increases.

ARTICLE III - HEALTH & WELFARE

- A. All employees previously covered by the CCP/BMWED agreement will remain in their current health and welfare plans.
- B. Effective January 1, 2008, all health and welfare plans applicable to IC employees are cancelled in their entirety and all IC employees subject to this Agreement and their dependents will be covered by the National Health and Welfare Plans ("GA-23000"), the National Dental Plan, the National Vision Plan, and the National Agreement Early Retirement Plan ("GA-46000"), the Supplemental Sickness Benefit Agreement, and the Off-Track Vehicle Insurance Agreement, as subsequently amended and revised, excluding cost sharing, in effect between the National Carriers' Conference Committee and the Brotherhood of Maintenance of Way Employees Division. Retired, disabled and inactive employees will remain in their existing coverage, if any.
- C. Effective January 1, 2008, the amount of employee cost sharing for Health and Welfare Plans shall be one hundred dollars (\$100.00) per month and remain such unless changed in accordance with the Railway Labor Act.
- D. During a prescribed election period preceding January 1, 2008, and preceding each January 1 thereafter, employees may certify to the carrier's designee, in writing, that they have health care coverage (which includes medical, prescription drug, and mental health/substance abuse benefits) under another group health plan or health insurance policy that they identify by name, and where applicable, by group number, and for that reason they elect to forego coverage for foreign-to-

occupation health benefits for themselves and their dependents under the plan identified in paragraph B above. Such election is hereafter referred to as an "Opt-Out Election" and, where exercised, will eliminate an employer's obligation to make a contribution to the plan for foreign-to-occupation health benefits for the employee and his dependents and the employee's contribution obligation under paragraph C above.

Employees who make an Opt-Out Election will be paid \$100 for each month that the carrier is required to make a contribution to the plan on their behalf for life insurance and accidental death and dismemberment benefits as a result of compensated service rendered, or vacation pay received, by the employee during the prior month; provided, however, that the employee's Opt-Out Election is in effect for the entire month.

If an event described below occurs subsequent to an employee's Opt-Out Election, the employee may, upon providing the carrier's designee with proof satisfactory to it of the occurrence of such event, revoke the Opt-Out Election. An employee may also revoke the Opt-Out Election by providing the carrier's designee with proof satisfactory to it that, after the employee made the Opt-Out Election, a person became a dependent of the employee through a marriage, birth, or adoption or placement for adoption. Employees who revoke an Opt-Out Election will, along with their dependents, be once again covered (effective the first day of the first month following such revocation that the employee and/or dependents would have been covered but for the Opt-Out Election the employee had previously made) for foreign-to-occupation health benefits under the plans.

The following are the events referred to in the preceding paragraph:

1. the employee loses eligibility under, or there is a termination of employer contributions for, the other coverage that allowed the employee to make the Opt-Out Election, or
2. if COBRA was the source of such other coverage, that COBRA coverage is exhausted.

ARTICLE IV – CONSOLIDATION OF AGREEMENTS

A. On the effective date of this agreement, CCP/BMWED and IC/BMWED Agreements are consolidated and known as CN(IC)/BMWED Agreement. The CCP/BMWED agreement will be eliminated in its entirety.

B. The following shall be added to Rule 4 (a) of the CN(IC)/BMWED agreement:

3. Western Region: The entire Chicago, Central and Pacific Railroad west of Mile Post 36 and the entire Cedar River Railroad.

C. The first sentence of Rule 4 (b) of the CN(IC)/BMWED agreement shall be revised as follows:

The company will not reduce the number of seniority districts to less than three and will not unilaterally change the boundaries without prior notice and agreement with the General Chairman.

AGREEMENT BETWEEN
GRAND TRUNK WESTERN RAILROAD (GTW)
AND
THE ALLIED SERVICES DIVISION/TRANSPORTATION COMMUNICATIONS
INTERNATIONAL UNION (TCU)

IT IS AGREED:

ARTICLE I – TERMS AND CONDITIONS OF AGREEMENT

Unless otherwise specified in this agreement:

- A. Effective midnight, August 1, 2007, the terms and conditions contained in the Agreement between the Grand Trunk Western Railroad and the Allied Services Division/Transportation Communications International Union are eliminated in their entirety.
- B. Effective 12:01 a.m. August 1, 2007, employees subject to the agreement between the Grand Trunk Western Railroad and the Allied Services Division/Transportation Communications International Union will become subject to the terms and conditions, other than those exceptions specified in this agreement, contained in the agreement between the Illinois Central Railroad Company and the Allied Services Division/Transportation Communications International Union.

ARTICLE II – RATES OF PAY

- A. Effective January 1, 2005, all rates of pay in effect on December 31, 2004 are increased by three percent (3%).
- B. Effective January 1, 2006, all rates of pay in effect on December 31, 2005 are increased by three percent (3%).
- C. Effective July 1, 2007, all rates of pay in effect on June 30, 2007 are increased by three percent (3%).
- D. Effective July 1, 2008, all rates of pay in effect on June 30, 2008 are increased by four percent (4%).
- E. Effective July 1, 2009, all rates of pay in effect on June 30, 2009 are increased by three percent (3%).
- F. Rates of pay resulting from the application of A through E, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

shall be requested to furnish a conversion factor designed to adjust the newly revised index to the basis of the CPI-W Index during such measurement period.

Section 2 - Application of Section 1 Cost-of-Living Allowances

The cost-of-living allowance provided for by Section 1 of this Article will not become part of basic rates of pay. Such allowance and the adjustments thereto will be applied as follows:

- (a) **Hourly Rates** - Add the amount of the cost-of-living allowance to the hourly rate of pay produced by application of Article I.
- (b) **Minimum Daily Increases** - The increase in rates of pay described in paragraph (a) shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.
- (c) In making calculations under this Article, fraction of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Elimination of Previous Cost-of-Living Provisions

This Article replaces any previous cost-of-living provision in effect prior to the effective date of this agreement, and the arrangements set forth in this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act.

ARTICLE IV - HEALTH & WELFARE

- A. All TCU/GTW employees will continue to be covered by the Railroad Employees National Health and Welfare Plans, including all subsequent amendments, excluding cost sharing, in effect between the National Carriers' Conference Committee and the Transportation Communications International Union.
- B. The amount of employee cost sharing for National Health and Welfare Plans shall be One Hundred Dollars (\$100.00) per month effective January 1, 2007. This amount shall remain fixed and not subject to change except in accordance with Article XI of this Agreement.

ARTICLE IX - VACATIONS

- A. Effective January 1, 2008, employees entitled to two (2) or more weeks of vacation may split up to two (2) weeks of their vacations into single increment days, one or more days at a time.
- B. Such vacation days may be taken upon two (2) days advance notice, consistent with the needs of service.
- C. Employees must use their single increment days between January 1 and November 15. Any unused days as of November 15 will be paid for in lieu of vacation.
- D. Paragraphs 1(a) and (b) of the National Vacation Agreement, as subsequently amended, are modified as follows: An annual vacation will be granted to employees who render compensated service on not less than one hundred (100) days during the preceding calendar year.

ARTICLE X - GRIEVANCE RESOLUTION/BONUS

- A. Within sixty (60) days of the date of this agreement, all employees in active service, (on the date of the agreement) on positions covered by this agreement will be paid one thousand dollars (\$1000) each, subject to applicable payroll deductions.
- B. Upon payment of the amount indicated in paragraph (A), all claims and grievances, other than those involving disciplinary action, based on an occurrence prior to the effective date of this Agreement are considered resolved without prejudice to the position of either party and with the understanding that such settlements will not be cited by either party in any future case, nor used by either party to allege that the other has agreed to a particular practice.

AGREEMENT BETWEEN
DULUTH, WINNIPEG & PACIFIC RAILWAY COMPANY
AND
BROTHERHOOD RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION

IT IS AGREED:

ARTICLE I - RATES OF PAY

- A. Effective January 1, 2004, all rates of pay in effect on December 31, 2003, are increased by three per cent (3%).
- B. Effective July 1, 2005, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- C. Effective July 1, 2006, all rates of pay in effect on June 30, 2006, are increased by three per cent (3%).
- D. Effective July 1, 2007, all rates of pay in effect on June 30, 2007, are increased by three per cent (3%).
- E. Effective July 1, 2008, all rates of pay in effect on June 30, 2008, are increased by four per cent (4%).
- F. Effective July 1, 2009, all rates of pay in effect on June 30, 2009, are increased by three per cent (3%).
- G. Rates of pay resulting from the application of A through F, which end in fractions of a cent shall be rounded to the nearest whole cent. Fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

ARTICLE II - COST-OF-LIVING ALLOWANCE AND ADJUSTMENTS THERETO
AFTER JANUARY 1, 2010

Section 1 - Cost of Living Allowance and Effective Dates of Adjustments

- (a) A cost-of-living allowance will be payable in the manner set forth in and subject to the provisions of this Article, on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers (Revised Series) (CPI-W)" (1967=100), U.S. Index, all items - unadjusted, as published by the Bureau of Labor Statistics, U.S. Department of Labor, and hereinafter referred to as the BLS CPI. The first such cost-of-living allowance shall be payable effective July 1, 2010 based, subject to paragraph (d), on the BLS CPI for September 2009, as compared with the BLS CPI for March 2010. Such allowance, and further cost-of-living adjustments thereto which will become effective as described below, will be based on the change in the BLS CPI during the respective

- (b) **Minimum Daily Increases** - The increase in rates of pay described in paragraph (a) shall be not less than eight times the applicable increase per hour for each full time day of eight hours, required to be paid for by the rules agreement. In instances where under the existing rules agreement an employee is worked less than eight hours per day, the increase will be determined by the number of hours required to be paid for by the rules agreement.
- (c) In making calculations under this Article, fraction of a cent shall be rounded to the nearest whole cent; fractions less than one-half cent shall be dropped and fractions of one-half cent or more shall be increased to the nearest full cent.

Section 3 - Elimination of Previous Cost-of-Living Provisions

This Article replaces any previous cost-of-living provision in effect prior to the effective date of this Agreement, and the arrangements set forth in this Article shall remain in effect according to the terms thereof until revised by the parties pursuant to the Railway Labor Act. Any payments due or paid under previous provisions shall expire as of the effective date of this agreement and shall be counted toward any retroactive pay due under the provisions of Article I.

ARTICLE III - HEALTH & WELFARE

- A. All BRC-TCIU/DWP employees subject to this agreement and their dependents will continue to be covered by the National Health and Welfare Plans, including all subsequent amendments, excluding cost sharing, in effect between the National Carriers' Conference Committee and the Brotherhood Railway Carmen Division Transportation Communications Union, as set forth below:
 - 1. The Railroad Employees National Health and Welfare Plan Covering Certain Employees Represented by the Transportation Communications International Union, Brotherhood Railway Carmen Division of Transportation Communications International Union, and Transport Workers Union
 - 2. Life Insurance Benefits for U.S. Employees and Retirees and Accidental Death and Dismemberment Insurance Benefits for U.S. Employees under The Railroad Employees National Health and Welfare Plan, Effective January 1, 2003
 - 3. The Railroad Employees National Early Retirement Major Medical Benefit Plan (formerly GA-46000)
 - 4. Railroad Employees National Dental Plan for U.S Employees as amended through January 1, 2003
 - 5. Railroad Employees National Vision Plan 1999
 - 6. Supplemental Sickness Benefit Plan covering Railroad Shop Craft Employees, January 1, 2003
 - 7. The National Off-Track Vehicle Plan
- B. Effective January 1, 2007, the amount of employee cost sharing for Health and Welfare Plans shall be one hundred dollars (\$100.00) per month for the duration of this agreement

ARTICLE VIII – GRIEVANCE RESOLUTION/BONUS

- A. Within sixty (60) days of the date of this agreement, all employees in active service on positions covered by this agreement will be paid one thousand dollars (\$1,000.00) each, subject to applicable payroll deductions.
- B. Upon payment of the amount indicated in paragraph (A), all claims and grievances, other than those involving disciplinary action based on an occurrence prior to the effective date of this Agreement are considered resolved without prejudice to the position of either party and with the understanding that such settlements will not be cited by either party in any future case, nor used by either party to allege that the other has agreed to a particular practice.

ARTICLE IX - GENERAL PROVISIONS


- A. The purpose of this Agreement is to settle the Organization's Section 6 notice dated June 7, 2004, and to fix the general level of compensation and rules covering working conditions through December 31, 2009, and thereafter until changed or modified in accordance with the provisions of the Railway Labor Act, as amended.
- B. Neither party to this agreement shall serve, prior to November 1, 2009 (not to become effective prior to January 1, 2010), any notice or proposal for the purpose of changing, adding to, or deleting the provisions of any agreement in effect between the parties.

Unless otherwise indicated, this agreement is effective on the date signed.


Signed the 4th day of June, 2007.

FOR THE DULUTH, WINNIPEG
AND PACIFIC RAILWAY COMPANY


R. K. MacDougall
Sr. Director – Labor Relations



R. N. Bateman *KMC*
Sr. Manager - Labor Relations


K.A. McCarthy
Labor Relations Manager


D. J. Mandalas
Labor Relations Manager

FOR THE BROTHERHOOD
RAILWAY CARMEN DIVISION
TRANSPORTATION COMMUNICATIONS
INTERNATIONAL UNION


D. L. Lancaster
General Chairman


R. A. Johnson
General President

ARTICLE 3 – RECOGNITION

- A. This Agreement covers all Trainmen employed by the Company and represented by the United Transportation Union under the Railway Labor Act, as amended.
- B. The terms "Conductor" and "Trainman" as herein referred to shall include employees represented by the United Transportation Union, except where otherwise specifically provided for herein. The term "Company" shall mean the Wisconsin Central Transportation Company consisting of its subsidiaries Wisconsin Central Ltd., Fox Valley & Western Ltd. and Sault Ste. Marie Bridge Company. The term "Union" or "General Committee" shall mean the United Transportation Union.
- C. The right to make and interpret contracts covering rules, rates of pay and working conditions on behalf of Trainmen covered by this Agreement shall be solely vested in the regularly constituted General Committee of the United Transportation Union.
- D. Where the term "duly accredited representative" appears herein, it shall be understood to mean the regularly constituted General Committee and/or the Officers of the United Transportation Union of which such General Committee or Officers are a part of.

ARTICLE 4 – SCOPE RULE

Trainmen subject to this Agreement shall perform the traditional duties of a Trainman, which entail responsibilities such as switching of rail cars, interchange, handling switches, inspecting rail cars, bleeding cars, performing walking and rear-end air tests, preparing reports while under pay, using communication devices, copying and handling train orders, clearances and/or messages, spotting and/or movement of trains, rail cars and equipment on trackage in all yards and on all road territories owned and operated by the Company. Additionally, the Company may establish Utility Man Position(s) and such Utility Man Position(s) shall perform the traditional duties of a Utility Man. Where Utility Man Position(s) are established, Trainmen shall perform the traditional duties of this position. Additionally, Trainmen may perform the traditional duties of a Trainman in connection with work associated with assignments such as, but not limited to, a wrecking crane, test cars, flagging, and piloting.

- Note 1:** Trainmen shall not be required to perform duties outside the aforementioned Scope Rule and shall not be censured nor disciplined for refusing to do so.
- Note 2:** No Company official(s), non-craft employee(s) or non-employee(s) shall be used to supplant or substitute in the exclusive work of any Trainman working under this Agreement. However, this Agreement recognizes that crewmembers work as a unit and that Engineers may occasionally be required to operate switches. (Q&A 1)
- Note 3:** Notwithstanding the above, nothing in this Agreement shall prohibit the Company from assigning work covered by this Agreement to other individuals when the calling procedures outlined in Article 11, Paragraph D, 1, 2, 3 and 4 are exhausted. (Q&A 2, 3 and 4)
- Note 4:** One or more Trainman position(s) must be on all assignments. (Q&A 5 and 6 and Side Letter 11)

ARTICLE 5 – WAGES

- A
 - i) Effective August 1, 2004, the rate of pay for Conductor will be \$27.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - ii) Effective August 1, 2005, the rate of pay for Conductor will be \$28.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - iii) Effective August 1, 2006, the rate of pay for Conductor will be \$29.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.

- iv) Effective August 1, 2007, the rate of pay for Conductor will be \$30.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - v) Effective August 1, 2008, the rate of pay for Conductor will be \$31.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vi) Effective August 1, 2009, the rate of pay for Conductor will be \$32.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
 - vii) Effective August 1, 2010, the rate of pay for Conductor will be \$33.00 per hour. This rate will apply to all time on duty, unless otherwise specified in the Agreement.
- B. 1. Ten (10) hours or less shall constitute a basic day. Pay for all time on duty after ten (10) hours shall be at the rate of time and one half on the minute basis at the applicable rate.
2. The rates provided for herein shall apply to all time on duty, unless otherwise specified in the Agreement. The Company may require Trainmen to work in excess of ten (10) hours per tour of duty and Trainmen will be paid on a minute basis at the applicable rate of service performed. Trainmen requesting to be relieved during their tour of duty shall be paid actual time on duty provided a supervisor grants their request.
- C. New Trainmen shall be appointed to the entry-level training program and shall be paid at ninety percent (90%) of the Conductor's hourly rate of pay. Upon accumulating one (1) year of service or upon qualification as Conductor, whichever comes first, such Trainmen shall be paid at one hundred percent (100%) of the applicable hourly rate of pay.
- D. Unless otherwise provided in this Agreement, the rates of pay as indicated herein represent complete and total payment for the performance of all work, which is associated with the Trainmen covered by this Agreement

ARTICLE 6 – EMPLOYMENT SECURITY

- A. A Trainman who has established seniority on the Trainmen's seniority roster(s) on or prior to the effective date of this Agreement shall be known and designated as a "Protected Trainman". Such Protected Trainmen shall not be furloughed as a Trainman for any reason
- Note:** A Trainman who was suspended or dismissed prior to the effective date of this Agreement and is subsequently reinstated with seniority rights unimpaired shall be designated a Protected Trainman. A Protected Trainman who is or becomes dismissed or suspended and who is subsequently reinstated with seniority rights unimpaired shall remain a Protected Trainman.
- B. A Protected Trainman shall be provided a Regular Assignment or a Guaranteed Extra Board position.

ARTICLE 7 – SENIORITY

Section 1 – General

- A. The right to preference of work and the right to bid an assignment(s) shall be governed by seniority. The Trainman oldest in seniority shall be given the preference of work and the right to bid the assignment(s) of his choosing in accordance with the applicable provision(s) as contained in this Agreement.
- B. The Company will keep the General Chairperson and each Local Chairperson of the UTU supplied with lists of Trainmen and their seniority dates and rank numbers as Trainmen in conformity with their standing as recorded on the lists subject to the rules hereinafter provided for

Section 12 - General

- A. During a calendar year in which a Trainman's vacation entitlement shall increase on the anniversary date, such Trainman shall be permitted to schedule the additional vacation time to which entitled on the anniversary date at any time during that calendar year.
- B. Where a Trainman is discharged from service and subsequently reinstated without loss of seniority and/or benefits, service performed prior to discharge and subsequent to reinstatement shall be included in the determination of qualification for vacation during the following year. Trainmen restored to service shall be credited for all time paid for entitlement purposes.
- C. In instances where Trainmen who have become members of the Armed Forces of the United States return to the service of the Company in accordance with the Veterans Re-Employment Rights Act (8 USC Title 38 §2021-2027), as amended from time to time, time spent by such Trainman in the Armed Forces subsequent to their employment by the Company shall be credited as qualifying service in determining the length of vacations for which they may qualify upon their return to the service of the Company.
- D. Full week vacations will commence at the beginning of the tour of duty for the Trainman's designated work period and continue as consecutive week(s). A Trainman may take up to twelve (12) days of his annual vacation in single day increments, as outlined in Section 3 herein, and such employee shall be automatically marked up for service upon the expiration of any single day vacation provided they are not marked off for any other contractual reason.

ARTICLE 22 – BENEFITS**Section 1 – Health & Welfare**

Employees coming under the scope of this Agreement, along with their dependents, and retirees, if applicable, will be subject to the National Railway Carriers and United Transportation Union Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan, as may be amended, with employee contribution levels limited to those contained in the November 6, 2003, National Railway Carriers and United Transportation Union Health and Welfare Plan, the Railroad Employees National Dental Plan, and the Railroad Employees National Vision Plan. For clarity, upon conversion into this plan and continuing during the term of this Agreement, the formula for the cap on employee contributions as contained in the November 6, 2003 agreement shall apply through the term of this Agreement. Effective August 1, 2011 the employee contribution will be the same as that provided for in the UTU National Plan in effect on that date.

Section 2 – Life Insurance

A Trainman's minimum life insurance coverage is \$50,000. Trainmen requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 3 – Other

Accidental Death Insurance - A Trainman's minimum coverage is \$50,000. Trainmen requiring assistance concerning the foregoing may contact a Human Resources Representative for further information.

Section 4 – Off Track Vehicle Accident Benefits

The parties agree to implement and maintain the current off track vehicle accident benefits as provided in the Article XIII of the August 25, 2002 UTU National Agreement, as amended.

Side Letter 13 – Health and Welfare



United States Region
Labor Relations Department
17641 South Ashland Ave,
Homewood, IL 60430-1345

www.cn.ca

March 12, 2007

Mr. K. J. Flashberger
General Chairman
United Transportation Union
1221 Delanglade Street
Kaukauna, WI 54130

Dear Sir,

The following confirms our discussion during the just concluded negotiations that resulted in the March 12, 2007 Memorandum of Agreement regarding Health and Welfare. It is understood that all of the provisions as contained in the November 6, 2003 National Health and Welfare Agreement shall be implemented as soon as possible. Until such time as this conversion into this Plan, the Trainmen shall remain in their existing Health and Welfare Plan.

The employee contribution provided for in the November 6, 2003 National Health and Welfare Agreement is currently \$148.98 (pre-tax) per calendar month

Please acknowledge your agreement by signing your name in the space provided below.

Yours truly,

I concur.

R. K. MacDougall
Sr. Director Labor Relations

K. J. Flashberger
General Chairperson

GTW BLEJ

Side Letter 15 – Claims Settlement



Labor Relations Department

Canadian National
17641 South Ashland Ave,
Homewood, IL 60430-1345

November 22, 2006

J. M. Karakian
General Chairman
Brotherhood of Locomotive Engineers

J. M. Karakian:

The following confirms our discussion during the just concluded negotiations that resulted in the November 22, 2006 Memorandum of Understanding.

Certain claims, as agreed between the parties, including medical miscoding issues are hereby resolved. Within 60 days from the effective date of ratification, the Carrier will pay one thousand dollars (\$1,000.00) to each engineer who is active on the ratification date of the Agreement. Any engineer who is off:

- A. on an injury;
- B. on a medical leave;
- C. on another leave of absence;
- D. due to discipline;
- E. due to demotion;
- F. on Military service, or
- G. for other reasons for which the parties agree;

at the ratification date, but who later returns to active status during the term of this Agreement, shall also be entitled to this payment.

If the foregoing accurately reflects our discussions and understanding, please indicate your concurrence and return one copy to the undersigned.

I trust the foregoing reflects our discussions on this matter.

Yours truly,

R. K. MacDougall
Senior Director Labor Relations

I concur:

J. M. Karakian
General Chairman



**CANADIAN
PACIFIC
RAILWAY**

Labor Relations

Suite 1000
801 Marquette Avenue
Minneapolis Minnesota 55402

Tel (612) 904-6183
Fax (612) 904-6184

In Response Please Refer to
File:

April 23, 2007

Mr. Michael D. Priester, GC
Brotherhood of Locomotive Engineers & Trainmen
1400 E. Pugh Drive
Kenbell Plaza, Suite 4
Terre Haute, IN 47802

Dear Mr. Priester:

The Soo Line Railroad (Soo) has not authorized National handling of Section 6 notices since the 1980s, and has instead resolved wages, benefits, and work rules somewhat differently. However, the parties acknowledge that relevant aspects of these National Settlements have provided the framework for settlements between Soo and the Brotherhood of Locomotive Engineers & Trainmen (BLET).

In consideration for BLET's cooperation in facilitating the return of Soo's BLET represented employees to The Railroad Employee's National Health & Welfare Plans, at the earliest practicable date, Soo commits to the following:

- that wages for Soo's BLET represented employees will be adjusted on the same schedule and basis as in the National Agreement between the National Carrier's Conference Committee (NCCC) and the BLET that resolves these parties respective Section 6 notices for the bargaining round effective on January 1, 2005 (hereinafter National Settlement);
- that health & welfare cost sharing contributions will be resolved on Soo on a comparable basis to the National Agreement, with the understanding that retroactive cost sharing contributions will be based on the cost of Soo's Plan and prospective cost sharing contributions will be based on Soo's Plan until its BLET represented employees return to the National Plan (defined below), after which it will be based on the appropriate National Plan costs;
- effective August 1, 2007, or as soon thereafter as administratively practicable, Soo employees represented by the BLET will be covered by The Railroad Employees National Health & Welfare Plan (including Life and AD&D), Railroad Employee's National Flexible Benefits Program, the Railroad Employee's National Dental Plan, and the Railroad Employees National Vision Plan (collectively referred to herein as the

National Plan), plus the Railroad Employee's National Early Retirement Benefit Plan, including all subsequent amendments, and applicable cost sharing adjustments;

- that, except as otherwise stipulated in this Stand-by Agreement, the provisions, including Side Letters and Attachments in the National Settlement, will be incorporated into the Soo/BLET settlement;
- that this stand-by agreement will be full and final resolution of BLET's October 26, 2006, Section 6 notice and Soo's November 10, 2006, Section 6 notice.

Please indicate your concurrence by signing in the space provided below.

Sincerely,



Cathryn S. Frankenberg
AVP Labor Relations & Human Resources – US

Robin Mullaney
Director Labor and Employee Relations

I concur:



Michael D. Priest, General Chairman

Approved:



Dale McPherson, Vice President

Dated:

4/23/07